

CLOVIS UNIFIED SCHOOL DISTRICT

FRESNO COUNTY
CLOVIS, CALIFORNIA

ANNUAL FINANCIAL STATEMENTS
WITH REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANT

JUNE 30, 2008

DATE RECEIVED:



AUDIT REVIEW #(s) 04980

Assigned To: Armstrong

Date Reviewed: 7/28/09

Reviewer's Initials: RD

Date Review(s) Completed: 7/28/09

JLG

Jeanette L. Garcia & Associates
CERTIFIED PUBLIC ACCOUNTANT

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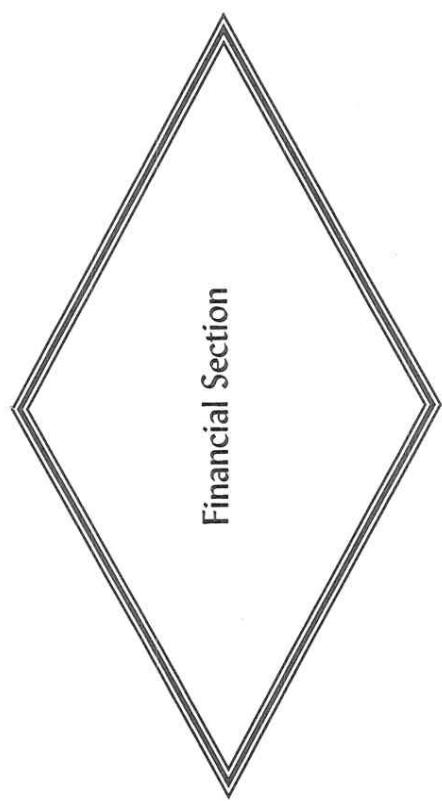
CLOVIS UNIFIED SCHOOL DISTRICT
OBJECTIVES OF THE ANNUAL AUDIT
JUNE 30, 2008

The audit had the following objectives:

- To determine whether the financial statements of the District present fairly its financial position and the results of its financial operations in accordance with accounting principles generally accepted in the United States of America;
- To assess the adequacy of the District's internal accounting control structure and procedures for financial accounting and reporting purposes and for compliance with certain rules and regulations related to Federal financial assistance programs;
- To determine whether Federal and State financial reports are presented fairly and in accordance with the terms of the applicable agreements;
- To determine whether the District has complied with laws and regulations that would have a material effect on the financial statements and on each major Federal program;
- To determine whether the District has met the specified State compliance issues; and
- To make recommendations related to any deficiencies or conditions noted in the course of the audit.

The annual audit is not designed to:

- Detect small scattered instances of theft, embezzlement, or other dishonest acts;
- Provide information on whether the District is operating with economy, efficiency or effectiveness; or
- Evaluate the results of the programs run by the District.



Financial Section

**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

Governing Board
Clovis Unified School District
Clovis, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clovis Unified School District (the District) as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements, as listed in the Table of Contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Clovis Unified School District as of June 30, 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 2, 2008, on our consideration of Clovis Unified School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Member:

American
Institute of
Certified Public
Accountants

California
Society of
Certified Public
Accountants

The Management's Discussion and Analysis on pages 3 through 18 and budgetary comparison information is not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clovis Unified School District's basic financial statements. The combining and individual nonmajor fund financial statements and schedules listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Clovis Unified School District. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the basic financial statements of Clovis Unified School District. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The schedules listed in the Table of Contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Jeanette L Garcia & Associates". The signature is fluid and cursive, with "Jeanette" on the first line, "L" on the second line, "Garcia" on the third line, and "& Associates" on the fourth line.

December 2, 2008

CLOVIS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2008

This section of Clovis Unified School District's (the District) annual financial report presents the District's discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2008.

FINANCIAL HIGHLIGHTS

- The District's financial status, with the exception of the GASB 34 liability, improved for the sixth year in a row. As a result of the liability booked, the total net assets decreased more than 1.2 percent over the course of the year.
- Overall revenues were \$398.3 million, \$53.3 million less than expenses.
- The District increased its outstanding long-term debt by over \$77 million or 20.1% as a result of the accounting for the postemployment liability.

OVERVIEW OF THE FINANCIAL STATEMENTS

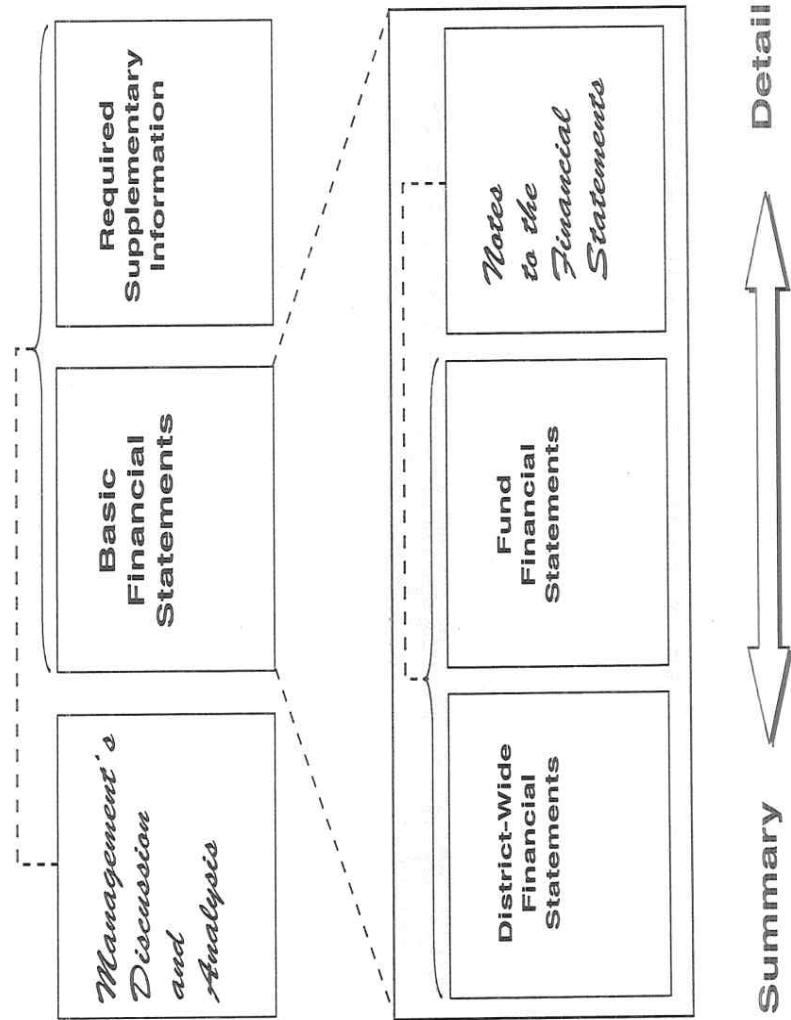
This annual report consists of three parts; management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services like regular and special education were financed in the short term as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

CLOVIS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2008

Figure A-1. Organization of Clovis Unified's
Annual Financial Report



CLOVIS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2008

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2. Major Features of the Districtwide and Fund Financial Statements

Fund Statements		
Type of Statements	District-wide	Fiduciary Funds
Scope	Entire District, except fiduciary activities	Instances in which the District administers resources on behalf of someone else, such as student body activities.
Required financial statements	*statement of net assets *statement of activities	*balance sheet *statement of revenues, expenditures & changes in fund balances *reconciliation to governmentwide financial statements
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenue and expense during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

CLOVIS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2008

DISTRICTWIDE STATEMENTS

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net assets and how they have changed. Net assets (the difference between the District's assets and liabilities) are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are combined into one category:

- Governmental activities - The District's basic services are included here, such as regular and special education, transportation, food services, adult education and administration. Property taxes, state formula aid, categorical funding and fees charged, finance most of these activities.

CLOVIS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2008

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The District has two kinds of funds:

- Governmental funds - Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets, that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- Fiduciary funds - The District is the trustee, or fiduciary, for assets that belong to others, such as the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net assets: The District's combined net assets were lower on June 30, 2008, than they were the year before, decreasing more than 12 percent to \$371.9 million. (See Table A-1.) Net assets decreased this year, as a result of the postemployment benefits liability being booked in accordance with GASB 45.

CLOVIS UNIFIED SCHOOL DISTRICT
 Management's Discussion and Analysis
 June 30, 2008

Table A-1
Clovis Unified Net Assets
 (in millions of dollars)
Governmental Activities

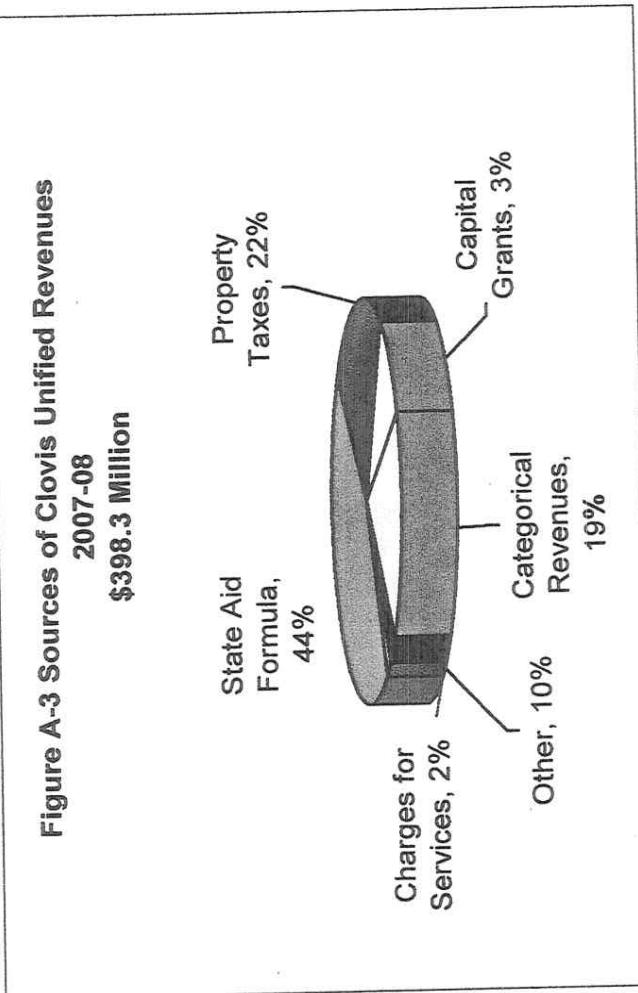
	<u>2007-08</u>	<u>2006-07</u>	<u>Total</u>	<u>Percentage Change</u>
Current and Other Assets				
Capital Assets	\$286.5	\$315.0		(9.0%)
	<u>601.6</u>	<u>548.8</u>		<u>9.6%</u>
Total Assets	888.1	863.8		2.8%
Long-term debt outstanding				
Other Liabilities	460.5	383.4		20.1%
	<u>55.7</u>	<u>55.5</u>		<u>0.4%</u>
Total Liabilities	516.2	438.9		17.6%
Invested in Capital assets net of related debt	275.0	200.5		37.2%
Restricted	201.4	196.4		2.5%
Unrestricted	<u>(104.5)</u>	<u>28.0</u>		<u>(473.2%)</u>
Total Net Assets	\$371.9	424.9		(12.5%)

The District's financial position is the product of many factors. However, two events last year stand out:

- The District's substantial completion of new construction projects.
- Posting of the postemployment liability.

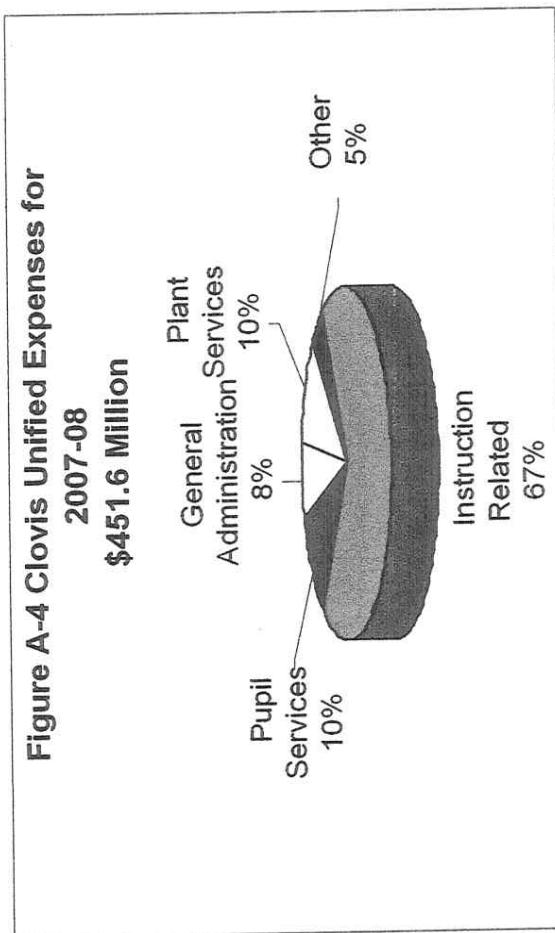
CLOVIS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2008

Changes in net assets: The District's total revenues were \$398.3 million (see Table A-2). Property taxes and state aid formula accounted for most of the District's revenue, with state aid contributing about 44¢ of every dollar raised and property taxes contributing about 22¢ of every dollar raised (see Figure A-3). Another 19¢ came from categorical programs, capital grants (3¢) and the remainder from fees charged for services of 2¢ and miscellaneous sources of 10¢.



CLOVIS UNIFIED SCHOOL DISTRICT
Management's Discussion and Analysis
June 30, 2008

The total cost of all programs and services was \$451.6 million (See Table A-2). The District's expenses are predominantly related to educating and caring for students (77%) (See Figure A-4). The purely administrative activities of the District accounted for just 8% of total costs. Maintenance and operations was \$45.5 million accounting for 10% of the District's expenses.



CLOVIS UNIFIED SCHOOL DISTRICT
 Management's Discussion and Analysis
 June 30, 2008

Total expenditures surpassed revenues, decreasing net assets \$53.3 million over last year.

Table A-2
 Changes in Clovis Unified Net Assets
 (in millions of dollars)

	<u>Governmental Activities</u>		<u>Total</u>	<u>Percentage Change</u>
	<u>2007-08</u>	<u>2006-07</u>		
Revenues:				
General Revenues:				
State Aid Formula	\$ 175.4	\$ 176.9		(0.8%)
Property Taxes	86.2	84.5		2.0%
Other	41.9	37.5		11.7%
Program Revenues:				
Charges for Services	7.1	7.3		(2.7%)
Categorical Revenues	76.0	78.7		(3.4%)
Capital Grants	<u>11.7</u>	<u>18.7</u>		<u>(37.4%)</u>
<i>Total Revenues</i>	398.3	403.6		(1.3%)
Expenses:				
Instruction Related	303.3	236.3		28.3%
Pupil Services	45.6	34.7		31.4%
General Administration	36.3	24.0		51.2%
Plant Services	45.5	34.1		33.4%
Other	<u>20.9</u>	<u>17.7</u>		<u>18.1%</u>
<i>Total Expenses</i>	451.6	346.8		30.2%
<i>Increase (decrease) in net assets</i>	(\$53.3)	\$56.8		(\$193.8%)

CLOVIS UNIFIED SCHOOL DISTRICT
Management Discussion and Analysis
June 30, 2008

GOVERNMENTAL ACTIVITIES

Revenues for the District's governmental activities were \$398.3 million, while total expenses were \$451.6 million. The decrease in net assets for governmental activities was \$53.3 million in 2008. Expenditures exceeded revenues as a result of the GASB requirement to post liability for postemployment benefits.

The good health of the District's finances can be credited to:

- Staffing formulas that maintain equality
- Maintaining an awareness of fiscal issues and active participation from the Budget Standards Committee
- Improved Campus Catering finances due to increased sales and maintaining staffing formulas

Table A-3 presents the cost of six major District activities: instruction; student transportation services; all other pupil services; food services; general administration; plant services. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

Table A-3

Net Cost of Clovis Unified Governmental Activities
 (in millions of dollars)

	<u>Costs of Services</u>	<u>Fees & Aid Generated</u>	<u>Net Costs of Services</u>	2006-07		<u>Net Costs of Services</u>	<u>Percentage Change</u>
				<u>Fees & Aid Generated</u>	<u>Costs of Services</u>		
Instruction	303.3	71.5	231.8	82.4	153.9	1.9%	
Student Transportation	10.9	3.3	7.6	8.3	5.3	29.3%	
All Other Pupil Services	22.8	3.7	19.1	17.3	3.9	15.5%	
Food Services	11.8	9.6	2.2	9.1	8.8	.3	100.0%
General Administration	36.3	4.1	32.2	24.0	3.9	20.1	9.2%
Plant Services	45.5	1.9	43.6	34.1	1.9	32.2	13.8%
Total	430.6	94.1	336.5	329.1	103.9	225.2	5.5%

CLOVIS UNIFIED SCHOOL DISTRICT
Management Discussion and Analysis
June 30, 2008

- The cost of governmental activities this year was \$451.6 million
- Some of the costs were paid by the users of the District's programs (\$7.1 million)
- The federal and state governments subsidized certain programs with operating grants and contributions (\$76.0 million)
- Most of the District's costs, \$356.8 million, however, were paid for by District taxpayers and the taxpayers of California, in general
- Governmental activities were paid for with \$86.2 million in property taxes, \$175.4 million of unrestricted state aid based on the statewide education aid formula, and with investment earnings

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the District revised the annual operating budget several times due to updated projections and actual costs. Following are highlights of the largest changes:

- Net increases in both revenue and expense for federal, state and local grant awards.
- Posting of deferred categorical revenue.
- Adopted revenue over expense was anticipated to be a surplus of \$1.4 million. Actual revenue to expense was a deficit of \$77 thousand due to reduced program carryover and Board approved one-time salary schedule adjustments of 1.5% for employees.

CLOVIS UNIFIED SCHOOL DISTRICT
Management Discussion and Analysis
June 30, 2008

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By June 30, 2008, the District had invested \$601.6 million in a broad range of capital assets, including school buildings, athletic facilities, computer and audio-visual equipment, and administrative offices. (See Table A-4.) This amount represents a net increase of \$52.8 million or 9.6% from last year. Total depreciation expense for the year exceeded \$15 million.

Table A-4
Clovis Unified Capital Assets
(net of depreciation, in millions of dollars)

Governmental Activities

	<u>2007-08</u>	<u>2006-07</u>	<u>Total Percentage Change</u>
Land	55.0	51.1	7.6%
Site Improvements	38.2	33.7	13.4%
Construction in Progress	57.0	191.6	(70.3%)
Buildings	447.6	270.5	65.5%
Furniture and Equipment	<u>3.8</u>	<u>1.9</u>	<u>100%</u>
<i>Total</i>	601.6	548.8	9.6%

CLOVIS UNIFIED SCHOOL DISTRICT
Management Discussion and Analysis
June 30, 2008

The District has construction work in progress related to various projects, including baseball/ softball stadium improvements, additions at Gateway High School, and the pool at the third education center. As set forth in the District's "Developer Fee Findings and Public Information Report" dated February 2008, the District's current enrollment exceeds the capacity of the District's existing school facilities.

In 2008-09, the District projects spending another \$53.6 million for capital projects, principally in the following areas:

- Construction of career technical education projects at each of the five comprehensive high schools (\$19 million)
- Window and restroom renovation projects at seven elementary sites (\$5 million)
- Various projects at existing school sites and other District facilities (\$13.1 million)

ALL DEBT/LONG-TERM DEBT

At year end, the District had \$460.5 million in general obligation bonds and other long-term debt. This is an increase of 20.1% from last year, as shown in Table A-5.

CLOVIS UNIFIED SCHOOL DISTRICT
 Management Discussion and Analysis
 June 30, 2008

Table A-5
Clovis Unified Outstanding Long-Term Debt
 (in millions of dollars)

	Governmental Activities	<u>2008</u>	<u>2007</u>	Total Percentage Change
General Obligation Bonds	\$293.6	\$312.3		(6.0%)
Postemployment Benefits	128.4	33.8		279.9%
Compensated Absences	1.3	1.4		(7.1%)
Certificates of Participation	30.4	33.8		(10.1%)
Child Development Portables	1.2	.9		33.3%
Energy Commission Loans	0.0	.1		(100.0%)
Capital Lease Agreement	1.4	1.1		27.3%
Golden Handshake	4.2	0.0		100.0%
<i>Total</i>	<i>\$460.5</i>	<i>\$383.4</i>		20.1%

- The District continues to pay down outstanding debt, retiring \$18.7 million of outstanding bonds and certificates of participation in 2007-08.

CLOVIS UNIFIED SCHOOL DISTRICT
Management Discussion and Analysis
June 30, 2008

The District passed a \$168 million general obligation bond measure in March 2004 to pay for the completion of new school buildings. Following is information on the District's bonding capacity.

BONDING CAPACITY

Limitations on Debt

The state limits the amount of general obligation debt the District can issue to 2.5 percent of the assessed value of all taxable property within the District's boundaries. Outstanding debt is \$176.9 million below this limit—which is currently \$471 million as of the end 2007-08.

Bond Ratings

The District's general obligation bonds have carried the highest rating possible with insurance - AAA.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District was aware of four existing circumstances that could significantly affect its financial health in the future:

- The state's budget was not approved at the time the unaudited actuals were completed. This is one of the major issues that could significantly impact the District budget.
- Management continues to demonstrate sound financial practices by creating innovative efficiencies in work processes.
- The District has received the Association of School Business Officials International award of excellence for the Adopted Budget. This award contributes to reducing bond insurance rates for future bonds.
- Enrollment growth and student attendance is key to the District's financial projections.

CLOVIS UNIFIED SCHOOL DISTRICT
Management Discussion and Analysis
June 30, 2008

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office, Clovis Unified School District, 1450 Herndon Avenue, Clovis, California 93611.

CLOVIS UNIFIED SCHOOL DISTRICT
 STATEMENT OF NET ASSETS
 JUNE 30, 2008

EXHIBIT A
 Page 1 of 2

GOVERNMENTAL ACTIVITIES	
ASSETS	
Cash (Note 2)	\$ 259,150,385
Accounts Receivable (Note 3)	23,058,436
Inventories	1,778,899
Prepaid Expenses	2,509,249
	<u>286,496,969</u>
Total Current Assets	
Capital Assets: (Note 6)	
Land	55,079,725
Improvement of Sites	77,365,504
Buildings	547,885,792
Furniture and Equipment	19,402,934
Work in Progress	57,011,698
Less Accumulated Depreciation	(15,097,126)
	<u>601,648,527</u>
Total Capital Assets	
TOTAL ASSETS	<u>888,145,496</u>

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
 STATEMENT OF NET ASSETS
 JUNE 30, 2008

EXHIBIT A
 Page 2 of 2

GOVERNMENTAL ACTIVITIES	
LIABILITIES	
Accounts Payable and Other Current Liabilities	\$ 54,937,674
Deferred Revenues	797,737
Total Current Liabilities	55,735,411
Long-Term Liabilities:	
Portion due or payable within one year:	
Bonded Debt (Note 7)	20,247,936
Certificates of Participation (Note 10)	4,515,000
Capital Leases (Note 11)	837,727
Other Long-Term Debt (Notes 12, 13, 14)	1,096,828
Total Due Within One Year	26,697,491
Portion due or payable after one year:	
Bonded Debt (Note 7)	273,388,808
Postemployment Benefits (Note 8)	128,393,347
Compensated Absences (Note 9)	1,269,267
Certificates of Participation (Note 10)	25,890,000
Capital Leases (Note 11)	541,406
Other Long-Term Debt (Notes 12, 13, 14)	4,338,097
Total Due After One Year	433,820,925
TOTAL LIABILITIES	516,253,827
NET ASSETS	275,031,069
Invested in Capital Assets, Net of Related Debt	
Restricted for:	
Capital Projects	130,718,355
Debt Service	62,716,292
Educational Programs	3,495,552
Other Purposes (Nonexpendable)	4,435,148
Unrestricted	(104,504,747)
TOTAL NET ASSETS	\$ 371,891,669

The Notes to Financial Statements are an integral part of this statement.

EXHIBIT B

CLOVIS UNIFIED SCHOOL DISTRICT
 STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Activities	Expenses		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
	Governmental	Activities				
Instruction:						
Instruction-related Services:	\$ 249,138,337	\$ 1,445,440	\$ 42,724,012	\$ 11,676,379	\$ (193,292,506)	
Supervision of Instruction	21,936,086	480,545	10,435,057	-	(11,020,484)	
Instructional Library, Media, and Technology	5,197,722	-	3,028,129	-	(2,169,593)	
School Site Administration	27,042,248	185,615	1,571,796	-	(25,284,837)	
Pupil Services:						
Home-to-School Transportation	10,932,851	-	3,311,776	-	(7,621,075)	
Food Services	11,795,486	4,653,846	4,984,396	-	(2,157,244)	
All Other Pupil Services	22,836,012	13,549	3,717,482	-	(19,104,981)	
General Administration:						
Data Processing	2,689,575	-	-	-	(2,689,575)	
All Other General Administration	33,581,288	294,520	3,807,082	-	(29,479,586)	
Plant Services	45,457,071	46,553	1,858,599	-	(43,551,919)	
Ancillary Services	8,800,507	-	-	-	(8,800,507)	
Community Services	10,934	-	-	-	(10,934)	
Interest on Long-Term Debt	10,802,087	-	-	-	(10,802,087)	
Other Outgo	1,391,971	12,587	591,129	-	(788,555)	
Total Governmental Activities	\$ 451,612,175	\$ 7,132,655	\$ 76,029,458	\$ 11,676,379	(356,773,683)	
General Revenues:						
Taxes:						
Property Taxes, levied for general purposes					\$ 47,436,985	
Property Taxes, levied for debt service					38,736,362	
Federal and State Aid not restricted to specific purposes					175,434,353	
Interest and Investment Earnings					11,607,464	
Transfers					4,970,488	
Miscellaneous					27,931,442	
Special and Extraordinary Items					(2,663,165)	
Total General Revenues					<u>303,453,929</u>	
Change in Net Assets					<u>(53,319,754)</u>	
Net Assets - July 1, 2007, as Previously Reported					424,896,186	
Adjustment for Restatement (Note 20)					315,237	
Net Assets - July 1, 2007, as Restated					425,211,423	
Net Assets - June 30, 2008					<u>\$ 371,891,669</u>	

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

ASSETS	GENERAL FUND	BUILDING FUND	BOND INTEREST AND REDEMPTION FUND	CENTRAL VALLEY SCHOOL DISTRICTS FINANCING CORPORATION FUND		ALL OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash (Note 2)				\$ 62,163,009	\$ -	\$ 48,422,733	\$ 199,643,124
Cash in County Treasury	\$ 34,285,726	\$ 54,771,656	\$ 92,729			3,977,359	5,423,994
Cash on Hand and in Banks	1,355,906					3,000	147,000
Cash in Revolving Fund	144,000						32,948,625
Cash with Fiscal Agent	36,200						22,217,604
Accounts Receivable (Note 3)	18,665,363	574,852	553,283			2,424,106	792,358
Due from Grantor Governments (Note 3)						11,500,000	15,532,762
Due from Other Funds (Note 4A)	4,032,162					308,505	1,778,899
Inventory (Note 1H)	1,470,394						2,509,249
Prepaid Expenditures	2,458,134					51,115	
TOTAL ASSETS	\$ 62,446,485	\$ 55,439,237	\$ 62,716,292		\$ 32,912,425	\$ 67,479,176	\$ 280,993,615
<hr/>							
LIABILITIES AND FUND BALANCES							
Liabilities				\$ -	\$ -	\$ 2,093,370	\$ 33,547,034
Accounts Payable	\$ 31,347,849	\$ 195,815	\$ -			4,032,762	15,532,762
Due to Other Funds (Note 4A)		11,500,000				115,020	797,737
Deferred Revenue	682,717						
Total Liabilities	<u>32,030,566</u>	<u>11,695,815</u>				<u>6,151,152</u>	<u>49,877,533</u>
Fund Balances (Note 5)							
Fund Balances	4,072,528					362,620	4,435,148
Reserved Fund Balances	26,343,391	43,743,422	62,716,292			60,965,404	226,680,934
Undesignated Fund Balances							
Total Fund Balances	<u>30,415,919</u>	<u>43,743,422</u>	<u>62,716,292</u>			<u>61,328,024</u>	<u>231,116,082</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 62,446,485</u>	<u>\$ 55,439,237</u>	<u>\$ 62,716,292</u>			<u>\$ 67,479,176</u>	<u>\$ 280,993,615</u>

The Notes to Financial Statements are an integral part of this statement.

EXHIBIT D

CLOVIS UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
JUNE 30, 2008

Total Fund Balances - Governmental Funds	\$ 231,116,082
Amounts reported as capital outlay for governmental activities are not financial resources and therefore are not reported as assets in the governmental funds. The cost of the assets is \$756,745,653, and the accumulated depreciation is \$155,097,126.	601,648,527
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period it is incurred. The additional liability for unmatured interest owing at the end of the period was:	(4,331,490)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
General Obligation Bonds	293,636,744
Certificates of Participation	30,405,000
Postemployment Benefits	128,393,347
Compensated Absences	1,269,267
Capital Leases	1,379,133
Other (Energy & Child Development)	5,434,925
	(460,518,416)
Total Net Assets - Governmental Activities	\$ 371,891,669

Internal service funds are used to conduct certain activities for which costs are charged to other funds. Because internal service funds are presumed to operate for the benefit of governmental activities, assets and liabilities of internal service funds are reported with governmental activities.

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	GENERAL FUND	BUILDING FUND	BOND INTEREST AND REDEMPTION FUND	CENTRAL VALLEY SCHOOL DISTRICTS FINANCING CORPORATION FUND	ALL OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Revenue Limit Sources						
State Apportionments	\$ 155,368,191	\$ -	\$ -	\$ -	\$ -	\$ 155,368,191
Local Sources	47,441,155	-	-	-	47,441,155	(724,274)
Revenue Limit Transfers	(724,274)	-	-	-	-	-
Total Revenue Limit Sources	<u>202,085,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>202,085,072</u>
Federal Revenues	13,940,639	-	-	-	-	-
Other State Revenues	61,244,610	438,817	22,946,276	-	-	-
Other Local Revenues	21,797,845	40,402,253	23,069,366	-	-	-
Total Revenues	<u>299,068,166</u>	<u>12,390,327</u>	<u>5,677,055</u>	<u>5,677,055</u>	<u>51,484,078</u>	<u>409,460,696</u>
EXPENDITURES						
Instruction	175,703,374	-	-	-	9,462,530	185,165,904
Instruction-related Services	7,805,913	-	-	-	-	-
Supervision of Instruction	11,035,371	-	-	-	-	-
Instructional Library, Media and Technology	19,561,740	-	-	-	-	-
School Site Administration	-	-	-	-	-	-
Pupil Services	10,171,308	-	-	-	-	-
Home-to-School Transportation	-	-	-	-	-	-
Food Services	29,858	-	-	-	-	-
All Other Pupil Services	17,782,001	-	-	-	-	-
General Administration	-	-	-	-	-	-
Data Processing	2,148,722	-	-	-	-	-
All Other General Administration	13,940,487	-	-	-	-	-
Plant Services	33,302,004	803,034	-	-	-	-
Facilities Acquisition and Construction	126,537	21,791,094	-	-	-	-
Ancillary Services	5,454,510	-	-	-	-	-
Other Outgo	2,421,033	4,497,558	28,267,311	11,677,786	47,049,411	<u>185,723</u>
Total Expenditures	<u>299,482,858</u>	<u>27,091,686</u>	<u>28,267,311</u>	<u>11,680,718</u>	<u>444,579,165</u>	<u>78,056,592</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(414,692)</u>	<u>(14,701,359)</u>	<u>12,573,759</u>	<u>(6,093,663)</u>	<u>(26,572,514)</u>	<u>(35,118,693)</u>

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	GENERAL FUND	BUILDING FUND	BOND INTEREST AND REDEMPTION FUND	CENTRAL VALLEY SCHOOL DISTRICTS FINANCING CORPORATION FUND	ALL OTHER GOVERNMENTAL FUNDS	TOTALS (MEMORANDUM ONLY)
OTHER FINANCING SOURCES (USES)						
Operating Transfers In (Note 4B)	\$ 1,423,899	\$ 13,752,116	\$ -	\$ -	\$ 11,305,243	\$ 26,481,258
Proceeds from Sale of Capital Leases	1,675,102	-	-	-	(15,900,038)	1,675,102
Operating Transfers Out (Note 4B)	(2,762,183)	(7,819,037)	-	-	202,980	(26,481,258) 202,980
Other Sources	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>336,818</u>	<u>5,933,079</u>	<u>-</u>	<u>-</u>	<u>(4,391,815)</u>	<u>1,878,082</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	<u>(7,874)</u>	<u>(8,768,280)</u>	<u>12,573,759</u>	<u>(6,003,663)</u>	<u>(30,964,329)</u>	<u>(33,240,387)</u>
FUND BALANCES - JULY 1, 2007, as Previously Reported	30,493,793	52,511,702	50,142,533	38,600,851	92,292,353	264,04,132
Adjustment for Restatement (Note 20)	-	-	-	315,237	-	315,237
FUND BALANCES - JULY 1, 2007	30,493,793	52,511,702	50,142,533	38,916,088	92,292,353	264,356,469
FUND BALANCES - JUNE 30, 2008	<u>\$ 30,415,919</u>	<u>\$ 43,743,422</u>	<u>\$ 62,716,292</u>	<u>\$ 32,912,425</u>	<u>\$ 61,328,024</u>	<u>\$ 231,116,082</u>

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Total Net Change in Fund Balances - Governmental Funds \$ (33,240,387)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays of \$68,056,412 exceed depreciation expense of \$15,199,724 in the period.

In governmental funds, interest on long-term debt is recognized in the period it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred.

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

In governmental funds, proceeds from debt are recognized as other financing sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in the governmental funds as proceeds from debt, net of issue premium or discount were:

In the statement of activities, compensated absences (vacation) and postemployment benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid.)

CLOVIS UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

The activities of the Internal Service Fund were incorporated into the government-wide statements, but the Internal Service Fund is not included as a governmental fund.

Adjustment for Rounding

Change in Net Assets of Governmental Activities

\$ 3,976,967	(4)
<u><u>\$ (53,319,754)</u></u>	

The Notes to Financial Statements are an integral part of this statement.

EXHIBIT G

CLOVIS UNIFIED SCHOOL DISTRICT
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUND
JUNE 30, 2008

	Governmental Activities	Internal Service Fund
<u>ASSETS</u>		
Cash (Note 2)	\$ 20,972,060	
Cash in County Treasury	15,582	
Cash on Hand and in Banks	48,474	
Accounts Receivable (Note 3)		
<u>TOTAL ASSETS</u>	<u><u>\$ 21,036,116</u></u>	
<u>LIABILITIES</u>		
Liabilities		
Accounts Payable	\$ 17,059,149	
<u>NET ASSETS (Note 5)</u>	<u><u>\$ 3,976,967</u></u>	
Unrestricted		

The Notes to Financial Statements are an integral part of this statement.

EXHIBIT H

CLOVIS UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Governmental Activities	Internal Service Fund
Operating Revenues In-District Premiums	\$ 44,102,776	
Operating Expenses Enterprise Activities	<u>40,125,809</u>	
Operating Income		3,976,967
Net Assets - July 1, 2007		
Net Assets - June 30, 2008		<u>\$ 3,976,967</u>

The Notes to Financial Statements are an integral part of this statement.

EXHIBIT I

CLOVIS UNIFIED SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Governmental Activities	Internal Service Fund
Cash Flows from Operating Activities		
Cash Received from Contributions	\$ 44,054,302	
Cash Paid for Retiree Benefits	<u>(23,066,660)</u>	
Net Cash Provided by Operating Activities	20,987,642	
Cash - July 1, 2007	<u>\$ 20,987,642</u>	
Cash - June 30, 2008	<u>\$ 20,987,642</u>	
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u>		
Operating Income	\$ 3,976,967	
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Increase in Accounts Receivable	(48,474)	
Increase in Accounts Payable	17,059,149	
Total Adjustments	<u>17,010,675</u>	
Net Cash Provided by Operating Activities	<u>\$ 20,987,642</u>	

The Notes to Financial Statements are an integral part of this statement.

EXHIBIT J

CLOVIS UNIFIED SCHOOL DISTRICT
STATEMENT OF ASSETS AND LIABILITIES
TRUST FUND
JUNE 30, 2008

<u>ASSETS</u>	<u>AGENCY FUNDS</u>
Cash (Note 2)	\$ 548,633
Cash in County Treasury	1,955,257
Cash on Hand and in Banks	24,639
Accounts Receivable (Note 3)	
TOTAL ASSETS	\$ 2,528,529
<u>LIABILITIES</u>	
Accounts Payable	\$ 86,519
Due to Student Groups/Other Agencies	2,442,010
TOTAL LIABILITIES	\$ 2,528,529

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Clovis Unified School District conform to accounting principles generally accepted in the United States of America as applicable to governments and to general practices within California school districts. The District accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's California School Accounting Manual. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and by the American Institute of Certified Public Accountants. The following is a summary of the significant accounting policies:

A. Fund Accounting

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance or retained earnings, revenues and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District accounts are organized into major, nonmajor, proprietary and fiduciary funds.

Major Governmental Funds:

General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Building Fund is used to account for the acquisition of major governmental capital facilities and buildings from bond proceeds. The District maintains four of these funds.

Bond Interest and Redemption Fund is used to account for the accumulation of resources for, and the repayment of District bonds, interest and related costs.

The Central Valley School Districts Financing Corporation is used to account for the interest and redemption of principal of certificates of participation issued by the Central Valley School Districts Financing Corporation.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Non-major Governmental Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District maintains four nonmajor special revenue funds.

- Adult Education Fund is used to account for resources committed to adult education programs maintained by the District.
- Cafeteria Fund is used to account for revenues received and expenditures made to operate the District's food service operations.
- Child Development Fund is used to account for resources committed to child development programs maintained by the District.
- Deferred Maintenance Fund is used for the purpose of major repair of District property.

Capital Projects Funds are used to account for the acquisition and/or construction of all major governmental general fixed assets. The District maintains three nonmajor capital projects funds.

- Capital Facilities Fund is used to account for resources received from developer fees.
- School Facilities Fund is used to account for revenues and expenditures for School Facilities Program (SB 5O) approved projects.
- Special Reserve Fund is used to account for the accumulation and expenditure of funds for capital outlay purposes, as established by the Board in accordance with Education Code Section 42840 et seq.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Proprietary Funds:

Internal Service Funds are used to account for services rendered on a cost reimbursement basis within the District. The District maintains one internal service fund, the Self Insurance Fund, which is used to account for the costs associated with retiree benefits.

Fiduciary Funds:

Agency Funds are used to account for assets held by the District as trustee. The District maintains the Warrant/Pass-Through Fund which is used to account for District payroll transactions. The District also maintains an agency fund for each school that operates an associated student body.

B.

Reporting Entity

Central Valley School Districts Financing Corporation

The Clovis Unified School District (the District) and the Central Valley School Districts Financing Corporation (the Corporation) have a financial and operational relationship which meets the reporting entity definition criteria of the GASB Statement No. 14, The Financial Reporting Entity, for inclusion of the Corporation as a component unit of the District. Accordingly, the financial activities of the Corporation have been included in the financial statements of the District. The Corporation is a nonprofit corporation organized under the General Nonprofit Corporation Law of the State of California. The Corporation was formed for the primary purpose of providing financing assistance to the District for construction, acquisition, improvement, and remodeling of public school buildings and facilities.

The District occupies all Corporation facilities under lease-purchase agreements effective through the years 2008 and 2017. At the end of the lease term, title of all Corporation property will pass to the District for no additional consideration.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

The following are those aspects of the relationship between the District and the Corporation which satisfy GASB Statement No. 14 criteria.

Oversight Responsibility:

1. The Corporation's Board of Directors consists of two board members from Clovis Unified School District, two board members from Fresno Unified School District and the Fresno County Superintendent of Schools.
2. The District is able to impose its will upon the Corporation, based on the following:
 - All major financing arrangements, contracts and other transactions of the Corporation completed on behalf of Clovis Unified School District must have the consent of the District.
 - The District exercises influence over the operations of the Corporation as it relates to Clovis Unified School District Facilities. The District anticipates it will be the sole lessee of all school district facilities owned by the Corporation.
3. The Corporation provides specific financial benefits or imposes specific financial burdens on the District based upon the following:
 - Any deficits incurred by the Corporation on behalf of the District will be reflected in the lease payments of the District.
 - Any surpluses of the Corporation generated on behalf of the District will revert to the District at the end of the lease period.
 - The District has assumed a financial, and potentially a legal obligation, for any debt incurred by the COPs issued on behalf of the School District.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Financial Presentation:

For financial presentation purposes, the Corporation's financial activity has been blended, or combined, with the financial data of the District. The financial statements present the Corporation's financial activity within the Central Valley School Districts Financing Corporation Fund. Certificates of participation issued by the Corporation are included in General Long-Term Debt. The annual financial statements for the Corporation for the fiscal year ended June 30, 2008, can be obtained through the District's business office.

C.

Basis of Presentation

Government-wide Financial Statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the District and its component units.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund and fiduciary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Fund Financial Statements:

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all nonmajor funds are aggregated into one column. The Internal Service Fund is presented on the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other uses) in net current assets.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the proprietary fund's Statement of Fund Net Assets. The Statement of Revenues, Expenses, and Changes in Fund Net Assets for proprietary funds presents increases (i.e., revenues) and decreases (i.e., expenditures) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service fund are charges to other funds for self-insurance costs. Operating expenses for internal service funds include the costs of insurance premiums and claims related to self-insurance.

Fiduciary funds are reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds use the accrual basis of accounting.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Revenues – exchange and non-exchange transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Available” means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, “available” means collectible within the current period or within 60 days after year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Deferred revenue:

Deferred revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred revenue. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as deferred revenue.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Expenses/ expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

E.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By State law, the District's Governing Board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's Governing Board satisfied these requirements.

These budgets are revised by the District's Governing Board during the year to give consideration to unanticipated income and expenditures. The final revised budget that is presented in the financial statements consists of the original Board approved documents plus all revisions.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

F. Accounting Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures (expenses) during the reporting period. Actual results could differ from those estimates.

G. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid.

H. Inventories

Inventory in the General Fund and Cafeteria Fund consists mainly of expendable supplies held for consumption. Inventories are recorded using the consumption method, in that inventory acquisitions are initially recorded in inventory (asset) accounts, and the cost is recorded as an expenditure at the time individual inventory items are requisitioned. Inventories are valued on the weighted average method. Reported inventories are equally offset by a fund balance reserve which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

I. Prepaid Expenditures

The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure during the benefiting period.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

J. Capital Assets

Capital assets purchased or acquired with an original cost of \$25,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Asset Class	Estimated Useful Life in Years
Athletic Equipment	10
Audio Visual Equipment	10
Books and Multimedia	5
Business Machines	10
Communication Equipment	10
Computer Equipment	5
Computer Software	5
Construction	50
Contractors Equipment	10
Desktop Furniture	5
Furniture	20
Furniture - Hospital	10
Grounds and Maintenance Equipment	15
Hospital Equipment	10
Kitchen Equipment	15

**CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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<u>Asset Class</u>	<u>Estimated Useful Life in Years</u>
Land	N/A
Land Improvements	20
Laptop	5
Licensed Vehicles	5
Machinery & Tools	15
Musical Instruments	10
Outdoor Equipment	20
Portable Structures	25
Printer	5
Scanner	5
Science and Engineering	10
Server	5
Swimming Pools	50

K. Compensated Absences

All vacation pay plus related payroll taxes is accrued when incurred in the government-wide financial statements. An expenditure for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

L. Fund Balance Reserves and Designations

Reservations of the ending fund balance indicate the portions of fund balance not appropriable for expenditure or amounts legally segregated for a specific future use. These amounts are not available for appropriation and expenditure at the balance sheet date.

Designations of the ending fund balance indicate tentative plans for financial resource utilization in a future period.

M. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts as well as issuance costs are deferred and amortized over the life of the bonds using the effective-interest method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are reported as prepaid expenditures and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued, premiums, or discounts is reported as other financing sources/uses.

N. Revenue Limit/Property Tax

The District's revenue limit is received from a combination of local property taxes, state apportionments, and other local sources.

The county is responsible for assessing, collecting and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. The levy is based on the assessed values as of the preceding March 1, which is also the lien date. Property taxes on the secured roll are due on November 1 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (March 1), and become delinquent if unpaid by August 31.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distributions prescribed by Section 4705 of the California *Revenue and Taxation Code*. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll – approximately October 1 of each year.

The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local revenue limit sources by the District.

The California Department of Education reduces the District's entitlement by the District's local property tax revenue. The balance is paid from the state General Fund, and is known as the State Apportionment.

The District's Base Revenue Limit is the amount of general purpose tax revenue, per average daily attendance (ADA), that the District is entitled to by law. This amount is multiplied by the second period ADA to derive the District's total entitlement.

CLOVIS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008

2. DEPOSITS

Cash at June 30, 2008, consisted of the following:

	Governmental Funds		Proprietary Fund		Fiduciary Funds	\$ Total
	Pooled Funds:	Cash in County Treasury				
	\$ 199,643,124	\$ 20,972,060			\$ 548,633	\$ 221,163,817
Deposits:						
Cash on Hand and in Banks	5,423,994		15,582		1,955,257	7,394,833
Cash in Revolving Fund	147,000		-		-	147,000
Cash with Fiscal Agent	32,948,625		-		-	32,948,625
Total	<u>\$ 238,162,743</u>	<u>\$ 20,987,642</u>			<u>\$ 2,503,890</u>	<u>\$ 261,654,275</u>

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Fresno County Treasury as part of the investment pool which has a balance on June 30, 2008 of \$2,093,278,000. The County pools these funds with those of other Districts in the County and invests the cash. These pooled funds are carried at cost which approximates market value. The District is considered to be an involuntary participant in the external investment pool. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The fair market value of this pool as of June 30, 2008, as provided by the pool sponsor, was \$2,093,280,000. The County is required by Government Code Section 53635 pursuant to section 53601 to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2008, the District had no significant interest rate risk related to cash and investments held.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The District does not have a formal investment policy that limits its investment choices other than the limitations of State law.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District does not place limits on the amount it may invest in any one issuer. At June 30, 2008, the District had no concentration of credit risk.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it.

Cash in banks and in revolving funds are insured up to \$100,000 by the Federal Depository Insurance Corporation (FDIC). All cash held by the financial institutions is fully insured or collateralized.

CLOVIS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008

3. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2008, consists of the following:

	GENERAL FUND	BUILDING FUND	BOND INTEREST AND REDEMPTION FUND	ALL OTHER GOVERNMENTAL FUNDS	PROPRIETARY FUND	FIDUCIARY FUNDS	TOTAL
Federal Sources	\$ 4,641,533	\$ -	\$ -	\$ 238,784	\$ -	\$ -	\$ 4,880,317
Categorical Aid Programs	3,159,444	-	-	366,208	-	-	3,525,652
Revenue Limit	8,376,040	-	-	1,267,349	-	-	9,643,389
Total State	<u>11,535,484</u>	<u>-</u>	<u>-</u>	<u>1,633,557</u>	<u>-</u>	<u>-</u>	<u>13,169,041</u>
Local Sources							
Local Governments	191,671	-	-	19,602	-	-	211,273
Interest	729,346	574,852	553,283	471,359	-	-	2,328,840
ASB/Booster Club	335,401	-	-	-	-	-	335,401
Retiree Benefits	8,243	-	-	-	48,175	-	56,418
Other	1,223,685	-	-	60,804	299	24,639	1,309,427
Total Local	<u>2,488,346</u>	<u>574,852</u>	<u>553,283</u>	<u>551,765</u>	<u>48,474</u>	<u>24,639</u>	<u>4,241,359</u>
Due from Grantor Governments							
Federal Sources	-	-	-	741,888	-	-	741,888
Child Nutrition	-	-	-	-	-	-	-
State Sources	-	-	-	-	50,470	-	50,470
Child Nutrition	-	-	-	-	792,338	-	792,338
Total Due from Grantor Governments	<u>\$ 18,665,363</u>	<u>\$ 574,852</u>	<u>\$ 553,283</u>	<u>\$ 3,216,464</u>	<u>\$ 48,474</u>	<u>\$ 24,639</u>	<u>\$ 23,083,075</u>
Total Receivables							

CLOVIS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008

4. INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables (Due To/Due From)

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Individual fund interfund receivable and payable balances at June 30, 2008, are as follows:

DUE FROM	DUE TO		
	General Fund	All Other Governmental Funds	Totals
Building Fund	\$ 4,032.762	\$ 11,500,000	\$ 11,500,000
All Other Governmental Funds			4,032.762
Totals	\$ 4,032.762	\$ 11,500,000	\$ 15,532.762

CLOVIS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008

B. Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. Interfund transfers for the 2007-08 fiscal year were as follows:

TRANSFERS FROM		TRANSFERS TO	
		General Fund	All Other Governmental Funds
General Fund	\$ 1,206,871	\$ 374,060	\$ 2,388,123
Building Fund	217,028	13,378,056	6,612,166
All Other Governmental Funds			2,304,954
Totals	\$ 1,423,899	\$ 13,752,116	\$ 11,305,243
			\$ 26,481,258

CLOVIS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008

5. FUND EQUITY

Ending fund equity is composed of the following elements:

	GENERAL FUND	BUILDING FUND	BOND INTEREST AND REDEMPTION FUND	CENTRAL VALLEY SCHOOL DISTRICTS FINANCING CORPORATION FUND	ALL OTHER GOVERNMENTAL FUNDS	PROPRIETARY FUND	TOTALS
Reserved Fund Balances	\$ 144,000	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ 147,000
Reserved for Revolving Fund	1,470,394	-	-	-	308,505	-	1,778,899
Reserved for Stores	2,458,134	-	-	-	51,115	-	2,509,249
Total Reserved Balances	4,072,528	-	-	-	362,620	-	4,435,148
Undesignated Fund Balances	26,343,391	43,743,422	62,716,292	32,912,425	60,965,404	-	226,680,934
Undesignated Retained Earnings	-	-	-	-	-	3,976,967	3,976,967
Total Fund Equity	\$ 30,415,919	\$ 43,743,422	\$ 62,716,292	\$ 32,912,425	\$ 61,328,024	\$ 3,976,967	\$ 235,093,049

**CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

6. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2008, is shown below:

PRIMARY GOVERNMENT

	Balance, July 1, 2007	Additions	Retirements	Balance, June 30, 2008
Land	\$ 51,108,372	\$ 3,971,353	-	\$ 55,079,725
Sites and Improvements	69,474,069	7,891,435	-	77,365,504
Buildings	359,392,891	188,492,901	-	547,885,792
Furniture and Equipment	17,157,741	2,245,193	-	19,402,934
Work in Progress	191,556,168	65,811,221	<u>200,355,691</u>	57,011,698
Totals at Historical Cost	688,689,241	268,412,103	200,355,691	756,745,653
Less Accumulated Depreciation for:				
Site Improvements	35,796,329	3,400,610	-	39,196,939
Buildings	88,873,895	11,390,780	-	100,264,675
Furniture and Equipment	15,227,178	408,334	-	15,635,512
Total Accumulated Depreciation	139,897,402	15,199,724	-	155,097,126
Governmental Activities Capital Assets, Net	\$ 548,791,839	\$ 253,212,377	\$ 200,355,691	\$ 601,648,527

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Depreciation expense was charged to governmental activities as follows:

Governmental Activities:	
Instruction	\$ 11,710,656
Supervision of Instruction	279,055
Instructional Library, Media and Technology	183,321
School Site Administration	147,669
Home-to-School Transportation	419,421
Food Services	257,066
Ancillary Services	1,487,550
All Other General Administration	454,340
Plant Services	251,928
Community Services	8,718
Total Depreciation Expense	<u>\$ 15,199,724</u>

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

7.

BONDED DEBT

The outstanding general obligation bonded debt of the District at June 30, 2008 is the following:

Bond	Date of Bond	Year of Maturity	Rate of Interest	Amount of Original Issue	Bonds Outstanding		Bonds Outstanding June 30, 2008
					July 1, 2007	Issued During Year	
1996 Series E	9/1/1997	2012	6.375%	\$ 545,000	\$ 545,000	\$ -	\$ 545,000
1996 Series F	9/1/1997	2012	5.4-5.5%	3,555,798	3,555,798	-	3,555,798
1998 Series A	9/1/1998	2011	5.6-6.3%	164,931,874	69,215,149	-	15,765,215
Election of 2001, Series A	10/1/2001	2026	4.2-9.0%	49,996,471	48,711,471	-	48,226,471
Election of 2001, Series B	10/1/2002	2027	3.6-10.0%	29,000,256	27,335,255	-	26,935,255
Election of 2004, Series A	12/1/2004	2029	3.0-4.0%	119,998,286	116,588,286	-	114,683,286
Election of 2004, Series B	3/1/2006	2030	4.0-5.0%	\$ 48,001,060	\$ 46,401,060	-	46,241,060
Totals				\$ 416,028,745	\$ 312,352,019	\$ 18,715,275	\$ 293,636,744

Year Ending June 30	Principal	Interest	Total
2009	\$ -	\$ 34,744	\$ 34,744
2010	-	34,744	34,744
2011	-	34,744	34,744
2012	545,000	34,744	579,744
Totals	\$ 545,000	\$ 138,976	\$ 683,976

The annual requirement to amortize the 1996 Series E general obligation bonds payable, outstanding at June 30, 2008, is as follows:

CLOVIS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008

The annual requirement to amortize the 1996 Series F general obligation bonds payable, outstanding at June 30, 2008, is as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ -	\$ -	\$ -
2010	-	-	-
2011	1,381,257	1,363,743	2,745,000
2012	2,174,541	2,428,086	4,602,627
Totals	<u>\$ 3,555,798</u>	<u>\$ 3,791,829</u>	<u>\$ 7,347,627</u>

The annual requirement to amortize the 1998 Series A general obligation bonds payable, outstanding at June 30, 2008, is as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 16,662,936	\$ 7,403,149	\$ 24,066,085
2010	17,672,935	7,593,305	25,266,240
2011	19,114,003	4,295,163	23,409,166
Totals	<u>\$ 53,449,874</u>	<u>\$ 19,291,617</u>	<u>\$ 72,741,491</u>

CLOVIS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008

The annual requirement to amortize the Election of 2001, Series A general obligation bonds payable, outstanding at June 30, 2008, is as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 410,000	\$ 72,900	\$ 482,900
2010	605,000	335,621	940,621
2011	1,398,209	1,231,720	2,629,929
2012	3,573,352	1,814,695	5,388,047
2013	2,922,258	1,912,249	4,844,507
2014-18	14,357,691	14,473,894	28,831,585
2019-23	13,931,113	24,480,987	38,412,100
2024-27	11,018,848	24,096,587	35,115,435
Totals	\$ 48,226,471	\$ 68,418,653	\$ 116,645,124

The annual requirement to amortize the Election of 2001, Series B general obligation bonds payable, outstanding at June 30, 2008, is as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 470,000	\$ 58,250	\$ 528,250
2010	455,000	35,125	490,125
2011	475,000	256,501	731,501
2012	1,330,747	632,530	1,963,277
2013	1,744,193	843,840	2,588,033
2014-18	7,922,743	6,141,025	14,063,768
2019-23	6,540,941	9,299,746	15,840,687
2024-28	7,996,631	17,582,978	25,579,609
Totals	\$ 26,935,255	\$ 34,849,995	\$ 61,785,250

CLOVIS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008

The annual requirement to amortize the Election of 2004, Series A general obligation bonds payable, outstanding at June 30, 2008, is as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 2,380,000	\$ 455,200	\$ 2,835,200
2010	2,795,000	351,700	3,146,700
2011	165,000	292,500	457,500
2012	7,230,000	1,118,040	8,348,040
2013	5,893,120	2,169,592	8,022,712
2014-18	29,172,303	18,869,641	48,041,944
2019-23	28,706,357	35,558,119	64,264,476
2024-28	28,133,776	57,897,535	86,031,311
2029-30	10,247,730	23,423,387	33,671,117
Totals	\$ 114,663,286	\$ 140,135,714	\$ 254,819,000

The annual requirement to amortize the Election of 2004, Series B general obligation bonds payable, outstanding at June 30, 2008, is as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 325,000	\$ 1,547,000	\$ 1,872,000
2010	480,000	1,530,900	2,010,900
2011	50,000	1,520,300	1,570,300
2012	700,000	1,505,300	2,205,300
2013	670,000	1,477,900	2,147,900
2014-18	6,005,000	6,791,375	12,796,375
2019-23	12,325,000	4,658,625	16,983,625
2024-28	15,618,009	9,020,914	24,638,923
2029-31	10,068,051	19,445,277	29,513,328
Totals	\$ 46,241,060	\$ 47,497,591	\$ 93,738,651

CLOVIS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008

The annual requirement to amortize general obligation bonds payable, outstanding at June 30, 2008, is summarized as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 20,247,936	\$ 9,571,243	\$ 29,819,179
2010	22,007,935	9,881,395	31,889,330
2011	22,583,469	8,994,671	31,578,140
2012	15,553,640	7,533,395	23,087,035
2013	11,199,571	6,403,581	17,603,152
2014-18	57,457,737	46,275,935	103,733,672
2015-23	61,503,410	73,997,477	135,500,887
2024-28	62,767,265	108,598,014	171,365,279
2029-31	20,315,781	42,868,664	63,184,445
Totals	<u><u>\$ 293,636,744</u></u>	<u><u>\$ 314,124,375</u></u>	<u><u>\$ 607,761,119</u></u>

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

8. OTHER POSTEMPLOYMENT BENEFITS

The School District implemented GASB Statement #45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension for the fiscal year ended June 30, 2008. This implementation allows the District to report its liability for other postemployment benefits consistent with newly established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements. In the 2007-08 fiscal year, the District re-established the Self Insurance Fund to account for funds set aside for postemployment benefits.

Plan Description. The District provides lifetime postemployment benefits to certificated and classified employees. To qualify, employees hired prior to September 1, 2007 must have 15 benefited service years with CUSD and attained the age of 55, and employees hired after September 1, 2007 must have 30 benefited service years with CUSD and attained the age of 55. Dental and vision benefits are provided for five years, but not beyond age 65. There are 3,067 active and 597 retired members in the plan. Benefits and eligibility for teachers and food service workers are established and amended through collective bargaining with the recognized bargaining agent for each group; and include postemployment health and dental coverage. Benefits and eligibility for administrators, secretaries and general support staff are established and amended by the governing body.

Funding Policy. The District has \$0 of invested plan assets accumulated for payment of future benefits. The employer makes all contributions, and for the year ended June 30, 2008 the District contributed \$6,548,758 to the Self Insurance Fund.

Annual OPEB Cost and Net OPEB Obligation. The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any un-funded actuarial liabilities over a period not to exceed thirty years. A table showing the components of the District's annual OPEB cost for the year, the amount actually paid from the plan, and changes in the District's net OPEB obligation is not presented because the District has opted to record the total unfunded actuarial liability at June 30, 2008.

Funded Status and Funding Progress. As of July 1, 2008, the most recent actuarial valuation date, the District's unfunded actuarial accrued liability (UAAL) was \$128,393,347. The annual payroll for active employees covered by the plan in the actuarial valuation for the 2007-2008 fiscal year was 163,718,940 for a ratio of the UAAL to covered payroll of 78%.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future, such as assumptions about future terminations, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actuarial results are compared with past experience and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2008 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a rate of 5.0% to discount expected liabilities to the valuation date, which is the yield on 30-year A-rated municipal bonds as of September 8, 2006. The initial healthcare trend rate was 10% for medical and 10% for drugs and 6% for dental, reduced by decrements to an ultimate rate of 5.5% for medical after 5 years and drug after 9 years. Mortality, disability and retirement rates are from the 1994 Group Annuity Mortality. The UAAL is being amortized as a level percentage of projected payrolls.

9.

- COMPENSATED ABSENCES
The total accumulated unpaid employee compensated absences as of June 30, 2008, amounted to \$1,269,267.

CLOVIS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008

10. CERTIFICATES OF PARTICIPATION

- A. In September, 1997, the Corporation issued 1997 Certificates of Participation in the amount of \$10,260,000, with interest rates ranging from 4.00 to 4.70 percent.

The certificates mature through 2008 as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 710,000	\$ 16,685	\$ 726,685
Total	710,000	16,685	726,685

- B. In November, 2004, the Corporation issued 2004 Certificates of Participation in the amount of \$28,900,000, with interest rates ranging from 3.00 to 5.25 percent.

The certificates mature through 2016 as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 2,415,000	\$ 929,675	\$ 3,344,675
2010	2,510,000	831,175	3,341,175
2011	2,615,000	728,675	3,343,675
2012	2,715,000	628,863	3,343,863
2013	2,810,000	532,175	3,342,175
2014-16	9,200,000	741,038	9,941,038
Total	22,265,000	4,391,601	26,656,601

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

- C. In August, 2006, the Corporation issued Certificates of Participation in the amount of \$7,820,000, with interest rates ranging from 4.00 to 4.50 percent.

The certificates mature through August 2016 as follows:

Year Ending June 30	Principal	Interest	Total
2009	\$ 1,390,000	\$ 281,000	\$ 1,671,000
2010	1,500,000	223,200	1,723,200
2011	1,090,000	171,400	1,261,400
2012	1,130,000	127,000	1,257,000
2013	590,000	91,125	681,125
2014-17	1,730,000	140,175	1,870,175
Total	<u>7,430,000</u>	<u>1,033,900</u>	<u>8,463,900</u>
Grand Total	<u><u>\$ 30,405,000</u></u>	<u><u>\$ 5,442,186</u></u>	<u><u>\$ 35,847,186</u></u>

The District currently has a total amount due of \$35,847,186 for Certificates of Participation. The funding source for the total COP's balance as of June 30, 2008 is:

General Fund	\$ 5,116,930
Special Reserve (RCA) Fund	3,346,970
Developer Fee Fund	26,656,600
Reserve Credit	<u>726,686</u>
Total	<u><u>\$ 35,847,186</u></u>

CLOVIS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008

	<u>CAPITAL LEASES</u>	The District has entered into various lease agreements. The payments are as follows:		
	<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
11.	2009	\$ 837,727	\$ 54,259	\$ 891,986
	2010	541,406	20,952	562,358
	Total	\$ 1,379,133	\$ 75,211	\$ 1,454,344
12.	<u>CHILD DEVELOPMENT PORTABLES</u>			
	The District financed the purchase of Child Development Portables through the California Department of Education's Child Care Facilities Revolving Fund. The agreement with CDE includes a 0% interest rate for the portable classrooms. During the term of the repayment, the title to the facilities shall be in the name of the State of California. Title shall pass to the District after repayment of all funds. The District bears all the responsibility of maintaining the facilities and keeping the facilities free and clear of any levies, liens and encumbrances.			
	The loans mature in 2015 and the payments are as follows:			
	<u>Year Ending June 30</u>			
	2009		\$ 227,723	
	2010		227,723	
	2011		139,969	
	2012		122,135	
	2013		122,135	
	2014-16		335,459	
	Total		\$ 1,175,144	

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

| 3. ENERGY COMMISSION LOANS

The State of California appropriated \$3,000,000 to the California Energy Commission through Senate Bill 880 to provide financial assistance to help school districts implement energy projects which can reduce energy costs. During fiscal year 2002, Clovis Unified School District entered into agreements with the California Energy Commission to secure financing for worthwhile projects. The funding source for the repayment is unrestricted General Fund monies and the payment schedule for the loans from the Commission is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 21,436	\$ 580	\$ 22,016
Total	\$ 21,436	\$ 580	\$ 22,016

CLOVIS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008

14. RISK MANAGEMENT

The District is self-insured for workers' compensation, health, vision and dental programs. The District accounts for and finances its uninsured risks of loss in the General Fund. The General Fund provides coverage for up to a maximum of \$275,000 for each workers' compensation claim and \$150,000 for each health insurance claim. The District purchases commercial insurance for claims in excess of coverage provided by the General Fund and for all other risks of loss.

All funds of the District, which reflect salary costs, participate in the program and make payments to the General Fund based on actuarial estimates of the amounts needed to pay prior and current year claims. The claims liability of \$15,483,617 reported in the General Fund and Self Insurance Fund at June 30, 2008 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Fund's claims liability amount in fiscal 2001, 2002, 2003, 2004, 2005, 2006, 2007 and 2008 were:

	Current-Year		Liability June 30
	Liability July 1	Claims and Changes in Estimates	
2000-01	\$ 3,446,889	\$ 19,293,827	\$ 19,225,955
2001-02	3,514,761	26,252,261	23,645,862
2002-03	6,121,160	28,276,103	27,246,190
2003-04	7,151,073	29,837,866	29,611,415
2004-05	7,377,524	36,685,720	35,634,352
2005-06	8,428,892	37,573,819	36,871,300
2006-07	9,131,411	40,828,724	37,268,585
2007-08	12,691,550	42,476,439	39,684,372

CLOVIS UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2008

Claim loss detail by coverage type is as follows:

Workers' Compensation:				
Current Portion				\$ 8,308,596
Long-Term Portion				581,878
Dental Program				75,247
Vision Program				6,517,896
Totals				\$ 15,483,617

15.

LONG-TERM DEBT

A schedule of changes in long-term debt for the fiscal year ended June 30, 2008, is shown below:

	Balance, July 1, 2007	Additions	Deductions	Balance, June 30, 2008	Amounts Due Within One Year
Bonded Debt	\$ 312,352,019	\$ 94,595,176	\$ 18,715,275	\$ 293,636,744	\$ 20,247,936
Postemployment Benefits	33,798,171	1,269,267	1,380,770	30,405,000	128,393,347
Compensated Absences	1,380,770			1,269,267	
Certificates of Participation	33,795,000			3,390,000	
Capital Leases	1,075,185	1,625,000	1,321,052	1,379,133	4,515,000
Child Development Portables	926,804	434,064	185,724	1,175,144	227,723
Energy Commission Loans	99,007			77,571	21,436
Golden Handshake		4,238,345			847,669
Totals	\$ 383,426,956	\$ 102,161,852	\$ 25,070,392	\$ 460,518,416	\$ 26,697,491

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

16. CHARTER SCHOOLS

The District has granted and approved two charter schools pursuant to Education Code Section 47605. The Center for Advanced Research and Technology (CART) was granted and approved on April 10, 2007, for a term of five years commencing on April 11, 2007.

The charter school is required in its individual charter agreement to have an annual financial audit performed and to provide the District with an annual performance report. As of December 2, 2008, the District has received a copy of the document.

On April 23, 2008 the District granted and approved the Online Charter School, commencing August of 2009.

17. JOINT POWERS AGREEMENTS

The District has entered into joint powers agreements (JPAs) with other governmental units, as allowed by the California Government Code. These JPAs have budgeting and financial reporting requirements independent of member units, whose financial statements are not presented in these financial statements; however, fund transactions between the entities and Clovis Unified School District are included in these statements. Summarized below is certain information on these entities:

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Schools Excess Liability Fund (SELF)

- Purpose: To provide liability insurance coverage in excess of \$ 1,000,000 (up to \$25,000,000).
Participants: Other school districts in California.

Governing Board: One designee for each district votes for 16 member Board of Directors.

The summary of financial information on the Schools Excess Liability Fund is available from Schools Excess Liability Fund, 1531 I Street, Suite 300, Sacramento, CA 95814.

Alliance of Schools for Cooperative Insurance Programs (ASClP)

- Purpose: Arrange for and provide property and liability insurance for its members.
Participants: Other governmental agencies.

Governing Board: Eleven voting members of the ASClP Executive Committee appointed by the Board.

Central Valley Support Services (CVSS)

- Purpose: To provide maintenance, operations, food service, transportation, printing, and warehouse/delivery services or any other support services approved by the Governing Board to its members.
Participants: Clovis Unified School District, Golden Valley Unified School District, and Fresno Unified School District.
Governing Board: The Governing Board shall consist of a District representative appointed by the Superintendent and a member of the operations staff of each educational agency holding membership in CVSS selected by that agency, and the Treasurer of CVSS.

**CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS**
JUNE 30, 2008

Center for Advanced Research & Technology (CART)

- Purpose: To provide for the financing and operation of a joint technical center for high school age students.
- Participants: Clovis Unified School District and Fresno Unified School District.
- Governing Board: Representatives from the member public educational agencies and related associations.

Condensed financial information of these JPAs are as follows:

	SELF Audited June 30, 2007	ASClP Audited June 30, 2007	CVSS Audited June 30, 2008	CART Audited June 30, 2008
Total Assets	\$ 215,903,000	\$ 183,290,906	\$ 11,679,106	\$ 3,594,902
Total Liabilities	185,793,000	118,424,651	9,626,463	1,318,366
Net Assets	<u>\$ 30,110,000</u>	<u>\$ 64,866,255</u>	<u>\$ 2,052,643</u>	<u>\$ 2,276,536</u>
Total Revenues	\$ 47,931,000	\$ 162,002,583	\$ 1,446,260	\$ 9,573,094
Total Expenditures	45,867,000	135,225,057	10,107,769	9,566,015
Net Increase (Decrease) in Net Assets	<u>\$ 2,064,000</u>	<u>\$ 26,777,526</u>	<u>\$ (8,661,509)</u>	<u>\$ 7,079</u>

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

18. COMMITMENTS AND CONTINGENCIES

A. Federal and State Allowances, Awards and Grants

The District has received Federal and State funds for specific purposes that are subject to review and audit by the grantor agencies. If the review or audit discloses exceptions, the District may incur a liability to grantor agencies.

B. Litigation

Various claims and litigation involving the District are currently outstanding. However, management of the District believes, based on consultation with legal counsel, that the ultimate resolution of these matters will not have a material adverse effect on the District's financial position or results of operations.

19. EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Classified employees are members of the California Public Employees' Retirement System (CalPERS) and certificated employees are members of the State Teachers' Retirement System (STRS).

PERS

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California, 95814.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

Funding Policy

Active plan members are required to contribute to PERS 7.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2007-08 was 9.306%. The contribution requirements of the plan members are established by the state statute. The District's contributions to CalPERS for the fiscal years ending June 30, 2008, 2007, and 2006 were \$3,923,413, \$5,192,766, and \$3,245,463, respectively, and equal 100% of the required contributions for each year.

STRS

Plan Description

The District contributes to the State Teachers' Retirement Systems (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability, and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from the STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

Funding Policy

Active plan members are required to contribute 8.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2007-08 was 8.25% of annual payroll. The contribution requirements of the plan members are established by state statute. The District's contributions to STRS for the fiscal years ending June 30, 2008, 2007, and 2006 were \$11,981,012, \$11,642,873, and \$10,552,658, respectively, and equal 100% of the required contributions for each year.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

APPLE

Plan Description

The APPLE program applies to all part-time employees working less than 20 hours per week and not eligible for CalPERS or STRS retirement programs. This includes all part-time classified and certificated employees working less than 20 hours, as well as substitute employees.

Employees are eligible for plan benefits upon termination with the District and have the option of rolling over their benefit into an individual retirement account or receiving a direct payment. Those with account balances of less than \$3,500 and who do not indicate which alternative they choose will receive a direct distribution from the plan.

Funding Policy

Participants in APPLE are required to contribute 3.75% of gross salary to APPLE. The District is required to contribute 3.75% of gross salary expenditures to APPLE. The District's contributions to APPLE for the fiscal year ending June 30, 2008, 2007 and 2006 were \$281,307, \$280,932, and \$261,230, respectively.

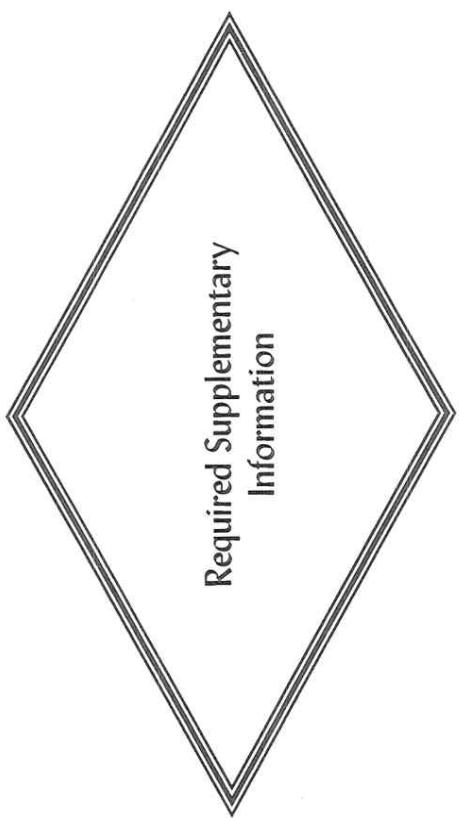
20. ADJUSTMENT FOR RESTATEMENT

The fund balance of the Central Valley School Districts Financing Corporation as of July 1, 2007 was restated by \$315,237 to include prior year transactions at the Fresno County Treasury that had not been communicated to the trustee, U.S. Bank.

21. SUBSEQUENT EVENT

On August 28, 2008, the District issued 2008 Refunding General Obligation Bonds in the aggregate principal amount of \$64,715,000. The proceeds of the Refunding Bonds will be used to accomplish an advance refunding and partial defeasance of a portion of the 2001 and 2004 General Obligation Bonds.

On September 30, 2008, the Governor signed into law AB2246. This bill revised the method in which CART is funded for fiscal years 2007-08 and beyond. This bill also resolves all pending audit issues for fiscal years 2005-06 and 2006-07.



Required Supplementary
Information

CLOVIS UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

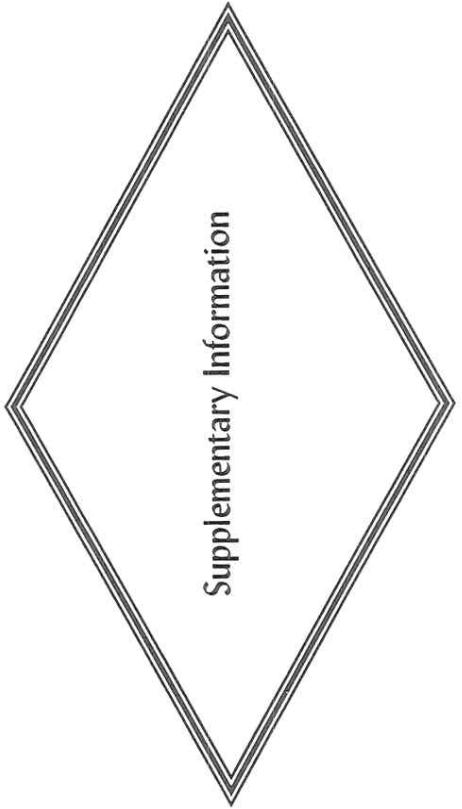
	Budgeted Amounts	Actual (GAAP Basis)	Variance with Final Budget Positive-(Negative)
	Original	Final	
REVENUES			
Revenue Limit Sources			
State Apportionments	\$ 160,553,804	\$ 155,368,191	\$ 155,368,191
Local Sources	46,959,275	47,441,155	47,441,155
Revenue Limit Transfers	(592,297)	(724,274)	(724,274)
Total Revenue Limit Sources	<u>206,920,782</u>	<u>202,085,072</u>	<u>202,085,072</u>
Federal Revenues	13,742,045	13,940,639	13,940,639
Other State Revenues	55,244,195	61,244,610	61,244,610
Other Local Revenues	18,439,613	21,797,845	21,797,845
Total Revenues	<u>294,346,635</u>	<u>299,068,166</u>	<u>299,068,166</u>
EXPENDITURES			
Instruction	176,751,807	175,703,374	175,703,374
Instruction-related Services	4,779,306	7,805,913	7,805,913
Supervision of Instruction			
Instructional Library, Media, and Technology	13,420,886	11,035,371	11,035,371
School Site Administration	18,165,748	19,561,740	19,561,740
Pupil Services			
Home-to-School Transportation	9,037,093	10,171,308	10,171,308
Food Services	22,000	29,858	29,858
All Other Pupil Services	17,519,877	17,782,001	17,782,001
General Administration			
Data Processing	2,305,988	2,148,722	2,148,722
All Other General Administration	11,534,721	13,940,487	13,940,487

The Notes to Financial Statements are an integral part of this statement.

CLOVIS UNIFIED SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL
GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Variance with Final Budget Positive - (Negative)
	Original	Final	Actual (GAAP Basis)
EXPENDITURES (cont.)			
Plant Services	\$ 33,355,369	\$ 33,302,004	\$ 33,302,004
Facilities Acquisition and Construction	81,571	126,537	126,537
Ancillary Services	4,689,695	5,454,510	5,454,510
Other Outgo	3,695,634	2,421,033	2,421,033
Total Expenditures	<u>295,359,695</u>	<u>299,482,858</u>	<u>299,482,858</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 <u>(1,013,060)</u>	 <u>(414,692)</u>	 <u>(414,692)</u>
 OTHER FINANCING SOURCES (USES)			
Operating Transfers In (Note 4B)	1,416,871	1,423,899	1,423,899
Proceeds from Sale of Capital Leases	950,000	1,675,102	1,675,102
Operating Transfers Out (Note 4B)	(2,807,784)	(2,762,183)	(2,762,183)
Total Other Financing Sources (Uses)	<u>(440,913)</u>	<u>336,818</u>	<u>336,818</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)	 <u>\$ (1,453,973)</u>	 <u>\$ (77,874)</u>	 <u>\$ (77,874)</u>
 FUND BALANCE - JULY 1, 2007			 <u>30,493,793</u>
 FUND BALANCE - JUNE 30, 2008			 <u>\$ 30,415,919</u>

The Notes to Financial Statements are an integral part of this statement.



Supplementary Information

STATEMENT 1

CLOVIS UNIFIED SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2008

	ADULT FUND	CAFETERIA FUND	CHILD DEVELOPMENT FUND	DEFERRED MAINTENANCE FUND	TOTALS
ASSETS					
Cash					
Cash in County Treasury	\$ 1,729,492	\$ 115,347	\$ 1,633,610	\$ 1,627,706	\$ 5,106,155
Cash on Hand and in Banks	43,100	3,674,356	22,595	-	3,740,051
Cash in Revolving Fund	3,000	-	-	-	3,000
Accounts Receivable	1,548,601	43,427	388,041	18,877	1,998,946
Due from Grantor Governments	-	792,358	-	-	792,358
Inventory	49,221	259,284	-	-	308,505
Prepaid Expenditures	28,856	-	1,680	-	30,536
TOTAL ASSETS	\$ 3,402,270	\$ 4,884,772	\$ 2,045,916	\$ 1,616,183	\$ 11,979,551
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 58,161	\$ 272,036	\$ 55,899	\$ 180,157	\$ 566,253
Due to Other Funds	11,663	3,887,486	133,813	-	4,032,762
Deferred Revenue	15,020	-	100,000	-	115,020
Total Liabilities	\$ 84,644	4,159,522	289,712	180,157	4,714,035
Fund Balances					
Reserved Fund Balances	\$ 81,077	259,284	1,680	-	342,041
Undesignated Fund Balances	3,236,519	465,966	1,754,534	-	6,933,475
Total Fund Balances	3,317,616	725,250	1,756,214	-	7,265,516
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,402,270	\$ 4,884,772	\$ 2,045,916	\$ 1,646,583	\$ 11,979,551

The Notes to Financial Statements are an integral part of this statement.

STATEMENT 2

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCESNONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	ADULT FUND	CAFETERIA FUND	CHILD DEVELOPMENT FUND	DEFERRED MAINTENANCE FUND	TOTALS
REVENUES					
Federal Revenues	\$ 706,964	\$ 4,755,683	\$ 5,789	\$ 1,393,564	\$ 5,468,436
Other State Revenues	5,519,267	430,739	3,247,413	4,928,138	10,650,993
Other Local Revenues	1,155,799	4,898,362	4,928,138		11,041,212
Total Revenues	<u>7,412,030</u>	<u>10,084,784</u>	<u>8,181,350</u>	<u>1,452,477</u>	<u>27,160,641</u>
EXPENDITURES					
Instruction	3,546,867	-	5,915,663	-	9,462,530
Instruction-related Services	-	-	1,448,141	-	2,063,192
Supervision of Instruction	615,051	-	-	-	1,474,619
School Site Administration	1,474,619	-	-	-	-
Pupil Services	-	9,091,637	-	-	9,091,637
Food Services	141,534	-	81,522	-	223,056
All Other Pupil Services	-	-	-	-	-
General Administration	302,221	421,852	479,749	-	1,203,822
All Other General Administration	357,151	-	-	-	1,769,388
Plant Services	12,687	-	244,276	1,686,064	1,943,027
Facilities Acquisition and Construction	-	-	185,723	-	185,723
Other Outgo	-	-	-	-	-
Total Expenditures	<u>6,450,130</u>	<u>9,513,489</u>	<u>8,355,074</u>	<u>3,098,301</u>	<u>27,416,994</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>991,900</u>	<u>571,295</u>	<u>(173,724)</u>	<u>(1,645,824)</u>	<u>(256,353)</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	-	202,980	-	1,500,000
Other Sources	<u>(100,000)</u>	<u>(100,000)</u>	<u>202,980</u>	<u>(340,000)</u>	<u>202,980</u>
Operating Transfers Out	-	-	-	-	<u>(40,000)</u>
Total Other Financing Sources (Uses)					<u>1,160,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER SOURCES (USES)					
	891,900	571,295	29,256	(485,824)	1,006,627
	<u>2,425,726</u>	<u>153,955</u>	<u>1,726,958</u>	<u>1,952,250</u>	<u>6,258,889</u>
FUND BALANCES - JULY 1, 2007	<u>\$ 3,317,626</u>	<u>\$ 725,250</u>	<u>\$ 1,756,214</u>	<u>\$ 1,466,426</u>	<u>\$ 7,265,516</u>
FUND BALANCES - JUNE 30, 2008					

The Notes to Financial Statements are an integral part of this statement.

STATEMENT 3

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2008

	CAPITAL FACILITIES FUND	SCHOOL FACILITIES FUND	SPECIAL RESERVE FUND	TOTAL\$
<u>ASSETS</u>				
Cash	\$ 15,606,453	\$ 6,509,886	\$ 21,200,239	\$ 43,316,578
Cash in County Treasury	20	237,288	-	237,308
Cash on Hand and in Banks	163,958	58,716	202,486	425,160
Accounts Receivable	11,500,000	-	-	11,500,000
Due from Other Funds	20,579	-	-	20,579
Prepaid Expenditures				
TOTAL ASSETS	\$ 27,291,010	\$ 6,805,890	\$ 21,402,725	\$ 55,499,625
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities	\$ 422,606	\$ 925,117	\$ 89,394	\$ 1,437,117
Accounts Payable				
Fund Balances				
Reserved Fund Balance	20,579	-	-	20,579
Undesignated	26,847,825	5,880,773	21,313,331	54,041,929
Total Fund Balances	26,868,404	5,880,773	21,313,331	54,062,508
TOTAL LIABILITIES AND FUND BALANCES	\$ 27,291,010	\$ 6,805,890	\$ 21,402,725	\$ 55,499,625

The Notes to Financial Statements are an integral part of this statement.

STATEMENT 4
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CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	CAPITAL FACILITIES FUND	SCHOOL FACILITIES FUND	SPECIAL RESERVE FUND	TOTALS
<u>REVENUES</u>				
Other State Revenues	\$ 11,676,379	\$ 618,904	\$ 12,295,283	
Other Local Revenues	1,705,955	2,789,828		12,028,154
Total Revenues	<u>7,532,371</u>	<u>13,382,334</u>	<u>3,408,732</u>	<u>24,323,437</u>
<u>EXPENDITURES</u>				
All Other General Administration	208,971			208,971
Facilities Acquisition and Construction	6,330,809	32,291,567	11,808,251	50,430,627
Total Expenditures	<u>6,539,780</u>	<u>32,291,567</u>	<u>11,808,251</u>	<u>50,639,598</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	<u>992,591</u>	<u>(18,909,233)</u>	<u>(8,399,519)</u>	<u>(26,316,161)</u>

The Notes to Financial Statements are an integral part of this statement.

STATEMENT 4
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CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	CAPITAL FACILITIES FUND	SCHOOL FACILITIES FUND	SPECIAL RESERVE FUND	TOTALS
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In	\$ 4,502,948		\$ 5,302,295	\$ 9,805,243
Operating Transfers Out	(8,914,558)		(798,773)	(15,460,038)
Total Other Financing Sources (Uses)	<u>(5,746,707)</u>	<u>(4,411,610)</u>	<u>4,503,522</u>	<u>(5,654,795)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)</u>				
FUND BALANCES - JULY 1, 2007	<u>31,622,520</u>	<u>29,201,616</u>	<u>25,209,328</u>	<u>86,033,464</u>
FUND BALANCES - JUNE 30, 2008	<u>\$ 26,868,404</u>	<u>\$ 5,880,773</u>	<u>\$ 21,313,331</u>	<u>\$ 54,062,508</u>

The Notes to Financial Statements are an integral part of this statement.

STATEMENT 5

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2008

	WARRANT PASS-THROUGH FUND	ASSOCIATED STUDENT BODY FUNDS	<u>TOTALS</u>
<u>ASSETS</u>			
Cash	\$ 548,633	\$ 1,901,134	\$ 548,633
Cash in County Treasury	54,123	24,639	1,955,257
Cash on Hand and in Banks			24,639
Accounts Receivable			
	<u>\$ 602,756</u>	<u>\$ 1,925,773</u>	<u>\$ 2,528,529</u>
<u>TOTAL ASSETS</u>			
<u>LIABILITIES</u>			
Accounts Payable	\$ 602,756	\$ 1,839,254	\$ 86,519
Due to Student Groups/Other Agencies			2,442,010
	<u>\$ 602,756</u>	<u>\$ 1,925,773</u>	<u>\$ 2,528,529</u>
<u>TOTAL LIABILITIES</u>			

The Notes to Financial Statements are an integral part of this statement.

STATEMENT 6

**CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF ASSETS AND LIABILITIES
STUDENT BODY FUNDS**
JUNE 30, 2008

	HIGH SCHOOLS	INTERMEDIATE SCHOOLS	ELEMENTARY SCHOOLS	TOTALS
ASSETS				
Cash on Hand and in Banks	\$ 918,122	\$ 432,207	\$ 550,805	\$ 1,901,134
Accounts Receivable	24,639			24,639
TOTAL ASSETS	\$ 942,761	\$ 432,207	\$ 550,805	\$ 1,925,773
LIABILITIES				
Accounts Payable	\$ 52,579	\$ 4,220	\$ 29,720	\$ 86,519
Due to Student Groups				
Club Accounts	657,451	130,425		787,876
General ASB Accounts	232,731	297,562		1,051,378
Total Due to Student Groups	<u>890,182</u>	<u>427,987</u>	<u>521,085</u>	<u>1,839,254</u>
TOTAL LIABILITIES	\$ 942,761	\$ 432,207	\$ 550,805	\$ 1,925,773

The Notes to Financial Statements are an integral part of this statement.

STATEMENT 7
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CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
STUDENT BODY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	BALANCE JULY 1, 2007	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2008
HIGH SCHOOLS				
ASSETS				
Cash on Hand and in Banks	\$ 1,135,591	\$ 6,293,708	\$ 6,511,177	\$ 918,122
Accounts Receivable	70,038	24,639	70,038	24,639
Inventory	47,852		47,852	
TOTAL ASSETS	\$ 1,253,471	\$ 6,318,347	\$ 6,629,057	\$ 942,761
LIABILITIES				
Accounts Payable		\$ 52,579	\$ 72,804	\$ 52,579
Due to Student Groups				
Club Accounts	655,904	1,890,274	1,888,727	657,451
General ASB Accounts	524,763	4,375,494	4,667,526	232,731
Total Due to Student Groups	1,180,667	6,265,768	6,556,233	890,182
TOTAL LIABILITIES	\$ 1,253,471	\$ 6,318,347	\$ 6,629,057	\$ 942,761
INTERMEDIATE SCHOOLS				
ASSETS				
Cash on Hand and in Banks	\$ 582,353	\$ 1,786,466	\$ 1,936,612	\$ 432,207
Accounts Receivable				
Inventory				
TOTAL ASSETS	\$ 582,353	\$ 1,786,466	\$ 1,936,612	\$ 432,207
LIABILITIES				
Accounts Payable		\$ 4,220	\$ -	\$ 4,220
Due to Student Groups				
Club Accounts	198,123	623,629	691,327	130,445
General ASB Accounts	384,230	1,158,617	1,245,285	297,562
Total Due to Student Groups	582,353	1,782,246	1,936,612	427,987
TOTAL LIABILITIES	\$ 582,353	\$ 1,786,466	\$ 1,936,612	\$ 432,207

The Notes to Financial Statements are an integral part of this statement.

STATEMENT 7
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CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
STUDENT BODY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	BALANCE, JULY 1, 2007	ADDITIONS	DEDUCTIONS	BALANCE, JUNE 30, 2008
<u>ELEMENTARY SCHOOLS</u>				
<u>ASSETS</u>				
Cash on Hand and in Banks	\$ 555,429	\$ 3,283,122	\$ 3,287,746	\$ 550,805
Accounts Receivable				
Inventory				
TOTAL ASSETS	\$ 555,429	\$ 3,283,122	\$ 3,287,746	\$ 550,805
<u>LIABILITIES</u>				
Accounts Payable		\$ 29,720	\$	\$ 29,720
Due to Student Groups				
Club Accounts				
General ASB Accounts				
Total Due to Student Groups				
TOTAL LIABILITIES	\$ 555,429	\$ 3,283,122	\$ 3,287,746	\$ 550,805
<u>TOTALS</u>				
<u>ASSETS</u>				
Cash on Hand and in Banks	\$ 2,273,373	\$ 11,363,296	\$ 11,735,535	\$ 1,901,134
Accounts Receivable	70,028	24,639	70,028	24,639
Inventory	47,852		47,852	
TOTAL ASSETS	\$ 2,391,253	\$ 11,387,935	\$ 11,853,415	\$ 1,925,773
<u>LIABILITIES</u>				
Accounts Payable				
Due to Student Groups				
Club Accounts				
General ASB Accounts				
Total Due to Student Groups				
TOTAL LIABILITIES	\$ 72,804	\$ 86,519	\$ 72,804	\$ 86,519

The Notes to Financial Statements are an integral part of this statement.

STATEMENT 8

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF ASSETS AND LIABILITIES
STUDENT BODY FUNDS

HIGH SCHOOLS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	BUCHANAN HIGH SCHOOL	CLOVIS HIGH SCHOOL	CLOVIS EAST HIGH SCHOOL	CLOVIS NORTH HIGH SCHOOL	CLOVIS WEST HIGH SCHOOL	GATEWAY CONTINUATION HIGH SCHOOL	ADULT SCHOOL	TOTALS
ASSETS								
Cash on Hand and in Banks	\$ 300,431	\$ 280,563	\$ 190,404	\$ 35,350	\$ 97,820	\$ 12,862	\$ 692	\$ 918,122
Accounts Receivable					24,639			24,639
TOTAL ASSETS	\$ 300,431	\$ 280,563	\$ 190,404	\$ 35,350	\$ 122,459	\$ 12,862	\$ 692	\$ 942,761
LIABILITIES								
Accounts Payable					\$ 52,579			\$ 52,579
Due to Student Groups	192,403	243,978	105,843	25,762	89,465			657,451
Club Accounts	108,038	36,585	84,561	9,588	(19,585)	12,862		232,731
General ASB Accounts	300,431	280,563	190,404	35,350	69,880	12,862		890,182
Total Due to Student Groups	\$ 300,431	\$ 280,563	\$ 190,404	\$ 35,350	\$ 122,459	\$ 12,862	\$ 692	\$ 942,761
TOTAL LIABILITIES								

The Notes to Financial Statements are an integral part of this statement.

STATEMENT 9
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CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
STUDENT BODY FUNDS
HIGH SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	BALANCE, JULY 1, 2007	ADDITIONS	DEDUCTIONS	BALANCE, JUNE 30, 2008
Buchanan High School				
ASSETS				
Cash on Hand and in Banks	\$ 289,979	\$ 1,638,382	\$ 1,627,930	\$ 300,431
Accounts Receivable				
Inventory				
TOTAL ASSETS	\$ 289,979	\$ 1,638,382	\$ 1,627,930	\$ 300,431
LIABILITIES				
Accounts Payable				
Due to Student Groups	200,645	408,906	417,148	192,403
Club Accounts	89,334	1,229,476	1,210,782	108,028
General ASB Accounts				
Total Due to Student Groups	<u>289,979</u>	<u>1,638,382</u>	<u>1,627,930</u>	<u>300,431</u>
TOTAL LIABILITIES	\$ 289,979	\$ 1,638,382	\$ 1,627,930	\$ 300,431
Clovis High School				
ASSETS				
Cash on Hand and in Banks	\$ 280,195	\$ 1,373,249	\$ 1,373,481	\$ 280,563
Accounts Receivable	21,155		21,155	
Inventory				
TOTAL ASSETS	\$ 302,050	\$ 1,373,249	\$ 1,394,736	\$ 280,563
LIABILITIES				
Accounts Payable				
Due to Student Groups	20,347		\$ 20,347	
Club Accounts				
General ASB Accounts				
Total Due to Student Groups				
TOTAL LIABILITIES	\$ 302,050	\$ 1,373,249	\$ 1,394,736	\$ 280,563

The Notes to Financial Statements are an integral part of this statement.

STATEMENT 9
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CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
STUDENT BODY FUNDS
HIGH SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	BALANCE JULY 1, 2007	ADDITIONS	DEDUCTIONS	BALANCE, JUNE 30, 2008
Clovis East High School				
ASSETS				
Cash on Hand and in Banks	\$ 227,117	\$ 968,581	\$ 1,005,294	\$ 190,404
Accounts Receivable	14,271	-	14,271	-
Inventory	-	-	-	-
TOTAL ASSETS	\$ 241,388	\$ 968,581	\$ 1,019,565	\$ 190,404
LIABILITIES				
Accounts Payable	-	-	-	-
Due to Student Groups	113,764	460,871	468,792	105,843
Club Accounts	127,624	507,710	550,773	84,561
General ASB Accounts	-	968,581	-	-
Total Due to Student Groups	241,388	\$ 968,581	\$ 1,019,565	\$ 190,404
TOTAL LIABILITIES	\$ 241,388			
Clovis North High School				
ASSETS				
Cash on Hand and in Banks	-	\$ 537,307	\$ 501,957	\$ 35,350
Accounts Receivable	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	\$ 537,307			\$ 35,350
LIABILITIES				
Accounts Payable	-	-	-	-
Due to Student Groups	242,452	216,690	285,267	25,762
Club Accounts	-	294,855	-	9,588
General ASB Accounts	-	537,307	501,957	35,350
Total Due to Student Groups	\$ 537,307			\$ 35,350
TOTAL LIABILITIES	\$ 537,307			

The Notes to Financial Statements are an integral part of this statement.

STATEMENT 9
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CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
STUDENT BODY FUNDS
HIGH SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	BALANCE JULY 1, 2007	ADDITIONS	DEDUCTIONS	BALANCE, JUNE 30, 2008
Clovis West High School				
ASSETS				
Cash on Hand and in Banks	\$ 323,738	\$ 1,766,945	\$ 1,992,863	\$ 97,820
Accounts Receivable	34,502	24,639	34,502	24,639
Inventory	47,852		47,852	
TOTAL ASSETS	\$ 406,092	\$ 1,791,584	\$ 2,075,217	\$ 122,459
LIABILITIES				
Accounts Payable	\$ 52,457	\$ 52,579	\$ 52,457	\$ 52,579
Due to Student Groups				
Club Accounts	125,737	446,043	482,315	89,465
General ASB Accounts	227,898	1,292,962	1,540,445	(19,585)
Total Due to Student Groups	353,635	1,739,005	2,022,760	69,880
TOTAL LIABILITIES	\$ 406,092	\$ 1,791,584	\$ 2,075,217	\$ 122,459
Gateway Continuation High School				
ASSETS				
Cash on Hand and in Banks	\$ 13,962	\$ 6,852	\$ 7,952	\$ 12,862
Accounts Receivable				
Inventory				
TOTAL ASSETS	\$ 13,962	\$ 6,852	\$ 7,952	\$ 12,862
LIABILITIES				
Accounts Payable				
Due to Student Groups				
Club Accounts	13,962	6,852	7,952	12,862
General ASB Accounts		6,852	7,952	12,862
Total Due to Student Groups	13,962	6,852	7,952	12,862
TOTAL LIABILITIES	\$ 13,962	\$ 6,852	\$ 7,952	\$ 12,862

The Notes to Financial Statements are an integral part of this statement.

STATEMENT 9
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CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
STUDENT BODY FUNDS
HIGH SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	BALANCE JULY 1, 2007	ADDITIONS	DEDUCTIONS	BALANCE, JUNE 30, 2008
<u>ASSETS</u>				
<u>Adult School</u>				
<u>Cash on Hand and in Banks</u>	\$ 2,392		\$ 1,700	\$ 692
<u>Accounts Receivable</u>				
<u>Inventory</u>				
<u>TOTAL ASSETS</u>	<u>\$ 2,392</u>		<u>\$ 1,700</u>	<u>\$ 692</u>
<u>LIABILITIES</u>				
<u>Accounts Payable</u>				
<u>Due to Student Groups</u>				
<u>Club Accounts</u>				
<u>General ASB Accounts</u>				
<u>Total Due to Student Groups</u>				
<u>TOTAL LIABILITIES</u>	<u>\$ 2,392</u>		<u>\$ 1,700</u>	<u>\$ 692</u>
<u>Totals</u>				
<u>ASSETS</u>				
<u>Cash on Hand and in Banks</u>	\$ 6,293,708		\$ 6,511,177	\$ 918,122
<u>Accounts Receivable</u>	<u>24,639</u>		<u>70,038</u>	<u>24,639</u>
<u>Inventory</u>	<u>47,852</u>		<u>47,852</u>	
<u>TOTAL ASSETS</u>	<u>\$ 6,318,347</u>		<u>\$ 6,629,057</u>	<u>\$ 942,761</u>
<u>LIABILITIES</u>				
<u>Accounts Payable</u>				
<u>Due to Student Groups</u>				
<u>Club Accounts</u>				
<u>General ASB Accounts</u>				
<u>Total Due to Student Groups</u>				
<u>TOTAL LIABILITIES</u>	<u>\$ 6,265,768</u>		<u>\$ 6,556,233</u>	<u>\$ 890,182</u>

The Notes to Financial Statements are an integral part of this statement.

STATEMENT 10

CLOVIS UNIFIED SCHOOL DISTRICT
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 STUDENT BODY FUNDS
 INTERMEDIATE SCHOOLS
 JUNE 30, 2008

	ALTA SIERRA INTERMEDIATE SCHOOL	C. TODD CLARK INTERMEDIATE SCHOOL	KASTNER INTERMEDIATE SCHOOL	REYBURN INTERMEDIATE SCHOOL	TOTALS
ASSETS					
Cash on Hand and in Banks					
	\$ 104,756	\$ 101,290	\$ 118,728	\$ 107,433	\$ 432,207
TOTAL ASSETS	\$ 104,756	\$ 101,290	\$ 118,728	\$ 107,433	\$ 432,207
LIABILITIES					
Accounts Payable					
Due to Student Groups					
Club Accounts	29,227	49,072	16,748	35,378	130,425
General ASB Accounts	75,539	52,218	101,980	67,835	297,562
Total Due to Student Groups	104,756	101,290	118,728	103,213	427,987
TOTAL LIABILITIES	\$ 104,756	\$ 101,290	\$ 118,728	\$ 107,433	\$ 432,207

The Notes to Financial Statements are an integral part of this statement.

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CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
STUDENT BODY FUNDS
INTERMEDIATE SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	BALANCE JULY 1, 2007	ADDITIONS	DEDUCTIONS	BALANCE, JUNE 30, 2008
ASSETS				
Alta Sierra Intermediate School				
Cash on Hand and in Banks	\$ 174,591	\$ 479,054	\$ 548,889	\$ 104,756
TOTAL ASSETS	\$ 174,591	\$ 479,054	\$ 548,889	\$ 104,756
LIABILITIES				
Accounts Payable				
Due to Student Groups				
Club Accounts	70,942	172,846	214,561	29,227
General ASB Accounts	103,649	306,208	334,328	75,529
Total Due to Student Groups	174,591	479,054	548,889	104,756
TOTAL LIABILITIES	\$ 174,591	\$ 479,054	\$ 548,889	\$ 104,756
C. Todd Clark Intermediate School				
ASSETS				
Cash on Hand and in Banks	\$ 128,339	\$ 468,284	\$ 495,333	\$ 101,290
TOTAL ASSETS	\$ 128,339	\$ 468,284	\$ 495,333	\$ 101,290
LIABILITIES				
Accounts Payable				
Due to Student Groups				
Club Accounts	50,114	173,365	174,407	49,072
General ASB Accounts	78,225	294,919	320,926	52,218
Total Due to Student Groups	128,339	468,284	495,333	101,290
TOTAL LIABILITIES	\$ 128,339	\$ 468,284	\$ 495,333	\$ 101,290

The Notes to Financial Statements are an integral part of this statement.

STATEMENT I
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CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
STUDENT BODY FUNDS
INTERMEDIATE SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	BALANCE JULY 1, 2007	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2008
Kastner Intermediate School				
ASSETS				
Cash on Hand and in Banks	\$ 176,215	\$ 498,643	\$ 56,130	\$ 118,728
TOTAL ASSETS	\$ 176,215	\$ 498,643	\$ 56,130	\$ 118,728
LIABILITIES				
Accounts Payable	\$.	\$.	\$.	\$.
Due to Student Groups	43,026	135,834	162,112	16,748
Club Accounts	133,189	362,809	394,018	101,980
General ASB Accounts	<u>176,215</u>	<u>498,643</u>	<u>556,130</u>	<u>118,728</u>
TOTAL LIABILITIES	\$ 176,215	\$ 498,643	\$ 556,130	\$ 118,728
Reburn Intermediate School				
ASSETS				
Cash on Hand and in Banks	\$ 103,208	\$ 340,485	\$ 336,260	\$ 107,433
TOTAL ASSETS	\$ 103,208	\$ 340,485	\$ 336,260	\$ 107,433
LIABILITIES				
Accounts Payable	\$.	\$ 4,220	\$.	\$ 4,220
Due to Student Groups	34,041	141,584	140,247	35,378
Club Accounts	69,167	194,681	196,013	67,835
General ASB Accounts	<u>103,208</u>	<u>336,265</u>	<u>336,260</u>	<u>103,213</u>
TOTAL LIABILITIES	\$ 103,208	\$ 340,485	\$ 336,260	\$ 107,433

The Notes to Financial Statements are an integral part of this statement.

STATEMENT 11
Page 3 of 3

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
STUDENT BODY FUNDS
INTERMEDIATE SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	BALANCE, JULY 1, 2007	ADDITIONS	DEDUCTIONS	BALANCE, JUNE 30, 2008
Totals				
ASSETS				
Cash on Hand and in Banks	\$ 582,353	\$ 1,786,466	\$ 1,936,612	\$ 432,207
TOTAL ASSETS	\$ 582,353	\$ 1,786,466	\$ 1,936,612	\$ 432,207
LIABILITIES				
Accounts Payable	\$.	\$ 4,220	\$.	\$ 4,220
Due to Student Groups	198,123	623,629	691,327	130,425
Club Accounts	384,230	1,158,617	1,245,285	297,562
General ASB Accounts	582,353	1,782,246	1,936,612	427,987
Total Due to Student Groups	\$ 582,353	\$ 1,786,466	\$ 1,936,612	\$ 432,207
TOTAL LIABILITIES	\$ 582,353	\$ 1,786,466	\$ 1,936,612	\$ 432,207

The Notes to Financial Statements are an integral part of this statement.

STATEMENT 12
Page 1 of 2

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
STUDENT BODY FUNDS
ELEMENTARY SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

ELEMENTARY SCHOOL	BALANCE JULY 1, 2007	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2008
Bud Rank	\$ 18,312	\$ 66,937	\$ 61,247	\$ 5,690
Cedarwood	23,020	120,795	114,585	24,522
Century	11,615	103,104	117,416	8,708
Clovis Elementary	14,587	121,409	108,367	24,657
Cole	12,405	149,261	154,704	9,144
Copper Hills	16,204	103,805	112,569	3,641
Cox	37,109	97,569	94,969	18,804
Dry Creek	22,264	141,752	139,431	39,430
Fancher Creek	2,686	145,579	147,627	20,216
Fort Washington	54,305	84,980	80,185	7,481
Freedom	17,538	146,187	159,791	40,701
Fugman	8,358	98,868	103,339	13,067
Garfield	32,022	146,725	145,357	9,726
Gettysburg	6,855	115,671	116,422	31,271
Jefferson	5,145	105,275	93,630	18,500
Liberty	3,501	87,656	89,147	3,654
Lincoln	30,364	89,230	90,548	2,183
Maple Creek		111,318	118,238	23,444

The Notes to Financial Statements are an integral part of this statement.

STATEMENT 12
Page 2 of 2

CLOVIS UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
STUDENT BODY FUNDS
ELEMENTARY SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

ELEMENTARY SCHOOL	BALANCE	DEDUCTIONS		BALANCE JUNE 30, 2008
	JULY 1, 2007	ADDITIONS		
Miramonte	\$ 28,247	\$ 79,766	\$ 81,128	\$ 26,885
Mountain View	30,357	49,067	155,025	24,399
Nelson	6,133	75,179	70,452	10,860
Pinedale	10,139	42,351	42,870	9,620
Reagan	19,289	49,435	64,338	4,386
Red Bank	39,008	149,097	145,718	42,387
Riverview	7,421	116,467	115,643	8,245
Sierra Vista	9,437	59,747	61,599	7,585
Tarpey	29,207	111,471	94,373	46,305
Temperance-Kutner	27,065	76,827	82,703	21,189
Valley Oak	5,368	82,445	84,440	3,373
Weldon	15,368	90,825	103,840	2,353
Woods	12,100	134,604	126,037	20,667
Total	\$ 555,429	\$ 3,253,402	\$ 3,275,738	\$ 533,093

The Notes to Financial Statements are an integral part of this statement.

SCHEDULE I

CLOVIS UNIFIED SCHOOL DISTRICT
GOVERNING BOARD AND ORGANIZATION
JUNE 30, 2008

GOVERNING BOARD

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Brian D. Heryford	President	December 2008
Sandra A. Bengel	Vice President	December 2010
Richard Lake, CPA	Clerk	December 2008
Elizabeth J. Sandoval	Member	December 2010
Jim Van Volkinberg, D.D.S.	Member	December 2010
Ginny L. Hovsepian	Member	December 2008
Susan M. Walker, D.H.Sc.	Member	December 2008

DISTRICT ADMINISTRATORS

Terry Bradley, Ed.D.	Superintendent
William C. McGuire	Associate Superintendent, Administrative Services
Virginia R. Boris, Ed.D.	Associate Superintendent, Curriculum - Instruction
Janet Young, Ed.D.	Associate Superintendent, Human Resources
Daniel E. Kaiser, Ed.D.	Associate Superintendent, School Leadership
Michael Johnston	Assistant Superintendent, Business Services
Ellen Bolding	Director of Finance
Pat Kraft	Director of Budget and Facilities Accounting

ORGANIZATION

The Clovis Unified School District was established in 1960 and is located in Fresno County. The District encompasses an area of approximately 198 square miles. District boundaries include portions of the city of Fresno, Clovis, and unincorporated areas of Fresno County. There were no changes in boundaries in 2007-08. The District currently operates thirty-one elementary schools, five intermediate schools, five high schools, four alternative education schools, one adult school, and the Center for Advanced Research and Technology (CART) as a joint high school with Fresno Unified School District.

SCHEDULE 2
Page 1 of 2

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Revised	Second Period Report	Annual Report
Elementary			
Kindergarten	2,445	2,446	2,446
First through Third	7,951	7,959	7,959
Fourth through Sixth	8,030	8,031	8,031
Seventh through Eighth	5,555	5,552	5,552
Home and Hospital	6	6	6
Special Education	230	232	232
Community Day School	27	27	27
Extended Year	31	31	31
Total	24,275	24,284	24,284
Secondary			
Regular Classes	9,979	9,909	9,909
Continuation Education	231	227	227
Home and Hospital	8	9	9
Special Education	107	108	108
Community Day School	29	28	28
Total	10,354	10,281	10,281
Subtotal Elementary and Secondary	34,629	34,565	34,565

See accompanying Notes to Supplementary Information.

SCHEDULE 2
Page 2 of 2

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Revised Second Period Report	Annual Report
Classes for Adults		
Concurrently Enrolled	33	31
Not Concurrently Enrolled	1,860	1,865
Total	1,893	1,896
Grand Total	36,522	36,461
Supplemental Instructional Hours		
Elementary	392,444	323,553
Secondary	530,924	538,462
Total	923,368	862,015

See accompanying Notes to Supplementary Information.

SCHEDULE 3

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

GRADE LEVEL	1982-83 ACTUAL MINUTES	1986-87 MINUTES REQUIREMENT	NUMBER OF DAYS		NUMBER OF DAYS MULTITRACK CALENDAR	STATUS
			2007-08 ACTUAL MINUTES	TRADITIONAL CALENDAR		
Kindergarten	31,680	36,000	36,030	180	0	In Compliance
Grade 1	49,808	50,400	55,575	180	0	In Compliance
Grade 2	49,808	50,400	55,575	180	0	In Compliance
Grade 3	49,808	50,400	55,575	180	0	In Compliance
Grade 4	55,440	54,000	56,430	180	0	In Compliance
Grade 5	55,440	54,000	56,430	180	0	In Compliance
Grade 6	55,440	54,000	56,430	180	0	In Compliance
Grade 7	55,440	54,000	62,022	181	0	In Compliance
Grade 8	55,440	54,000	62,022	181	0	In Compliance
Grade 9	52,800	64,800	64,925	181	0	In Compliance
Grade 10	52,800	64,800	64,925	181	0	In Compliance
Grade 11	52,800	64,800	64,925	181	0	In Compliance
Grade 12	52,800	64,800	64,925	181	0	In Compliance

See accompanying Notes to Supplementary Information.

SCHEDULE 4

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

<u>General Fund</u>	<u>(BUDGET) 2009 *</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Revenues and Other Financial Sources	\$ 294,188,136	\$ 302,167,167	\$ 309,762,763	\$ 262,398,067
Expenditures	289,181,050	299,482,858	289,378,111	258,432,602
Other Uses and Transfers Out	1,785,000	2,762,183	15,399,616	1,230,585
Total Outgo	290,966,050	302,245,041	304,777,727	259,663,187
Change in Fund Balance	\$ 3,222,086	\$ 77,874	\$ 4,985,036	\$ 2,734,880
Ending Fund Balance	\$ 33,638,004	\$ 30,415,919	\$ 30,493,795	\$ 25,508,760
Available Reserves	\$ 33,638,004	\$ 26,343,391	\$ 23,460,434	\$ 21,423,616
Designated for Economic Uncertainties	\$ -	\$ -	\$ -	\$ -
Undesignated Fund Balance	\$ 33,638,004	\$ 26,343,391	\$ 23,460,434	\$ 21,423,616
Available Reserves as a Percentage of Total Outgo	11.56 %	8.72 %	7.70 %	8.25 %
Total Long-Term Debt	\$ 433,820,925	\$ 460,518,416	\$ 383,426,956	\$ 393,143,739
Average Daily Attendance at P-2	34,611	34,629	34,561	34,066

The General Fund balance has increased by \$4,907,159 over the past two years. The fiscal year 2008-09 budget projects an increase of \$3,222,086. For a district this size, the State recommends available reserves of at least 2% of total General Fund expenditures, transfers out, and other uses. Clovis Unified School District has met the State's minimum requirements.

Average daily attendance has increased by 563 ADA over the past two years. A decrease of 18 ADA is anticipated during the fiscal year 2008-09.

* Based on July 1 Budget, included for analytical purposes only and has not been subjected to audit.

See accompanying Notes to Supplementary Information.

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

GENERAL FUND	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CATALOG NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM EXPENDITURES
U.S. Department of Education:				
Direct:				
Indian Education	84.060A		\$ 38,238	
Teaching American History	84.215X		600,020	
Smaller Learning Communities	84.215L		485,281	
Mentoring Program Grant	84.184B		181,248	
Passed through the California Department of Education (CDE):				
NCLB Title I	84.010	14329	3,761,050	
NCLB Title V Part A, Innovative Education	84.298A	14354	54,613	
IDEA, Education for the Handicapped Local Assistance	84.027A	13379	4,764,762	
Preschool Local Entitlement	84.027A	13682	640,754	
Federal Preschool	84.173A	13430	112,127	
Preschool Staff Development	84.173A	13431	1,231	
Early Interventions, Part C	84.173A	23761	172,109	
Title IV (Drug Free Schools)	84.186	13453	120,233	
VATEA, Secondary	84.048	14894	174,238	
Title I Even Start	84.213C	14331	327,750	
NCLB Title II A, Improving Teacher Quality	84.367	14341	1,031,505	
NCLB Title II Part D, EETT	84.318	14334	58,106	
NCLB Title II Part A, Administrator Training	84.367	14344	8,700	

^{es} Major Programs Tested

See accompanying Notes to Supplementary Information.

SCHEDULE 5
Page 2 of 4

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CATALOG NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>PROGRAM EXPENDITURES</u>
GENERAL FUND, continued			
U.S. Department of Education (cont.):			
NCLB Title III, LEP	84.365	10084	\$ 322,505
NCLB Title III Immigrant Education	84.365	14346	55,070
AP Exams Fee Assistance	N/A	23900	278,331
Even Start Family Literacy	84.213	14381	23,333
Total Department of Education			<u>13,211,204</u>
Department of Homeland Security: Federal Disaster Mitigation	97.017	unknown	<u>11,362</u>
Environmental Protection Agency: Passed through Department of Transportation: CNG Fuel	66.unk	unknown	<u>430,000</u>
U.S. Department of Agriculture: Passed through CDE: NSLP, Regional Learning Center		03396	26,612
SOS Road Fuels Treatment	10.555	unknown	28,665
Total Department of Agriculture	10.664		<u>55,277</u>
Bureau of Land Management, Department of the Interior Passed through Fire Safe Council: Cedar Ridge Fuel Break Project	15.228	N/A	<u>13,931</u>

See accompanying Notes to Supplementary Information.

SCHEDULE 5
Page 3 of 4

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CATALOG NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER		PROGRAM EXPENDITURES
		\$		
GENERAL FUND, continued				
U.S. Department of Health and Human Services:				
Passed through CDE:				
MediCal Reimbursements	93.778	10013		\$ 74,475
Refugee Children Supplemental Assistance	93.576	24791		144,390
Total Department of Health and Human Services				<u>218,865</u>
Total General Fund				<u>13,940,639</u>
ADULT FUND				
Passed through CDE:				
Adult Education and Literacy Act	84.002A	13977		9,675
Family Literacy P4	84.002A	13978		58,325
ASE/GED	84.002A	14508		135,196
ESL Citizenship	84.002A	14109		23,511
English Literacy and Civics Education Grant	84.002A			367,996
PELL Grant	84.063			
Vocational and Applied Technology	84.048			
Education Act, Title II, Part C	13923			
Total Department of Education				<u>112,261</u>
				<u>706,964</u>
				101

See accompanying Notes to Supplementary Information.

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2008

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CATALOG NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM EXPENDITURES
CAFETERIA FUND			
U.S. Department of Agriculture:			
Passed through CDE:			
National School Lunch Program	10.555	13396	\$ 3,757,026
Especially Needy Breakfast Program	10.553	13988	823,590
Basic Breakfast Program	10.553	15310	101,347
Meal Supplements	10.556	13528	73,720
			<hr/> 4,755,683
Total Department of Agriculture			
CHILD DEVELOPMENT FUND			
U.S. Department of Health and Human Services:			
Passed through CDE:			
School Age Resource	93.575	13941	2,629
Infant Toddler	93.575	13942	3,160
			<hr/> 5,789
Total Department of Health and Human Services			
Grand Total			<hr/> \$ 19,409,075

Major Programs Tested

See accompanying Notes to Supplementary Information.

SCHEDULE 6

CLOVIS UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT FORM
WITH AUDITED FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2008

There were no adjustments for fiscal year 2007/08.

See accompanying Notes to Supplementary Information.

SCHEDULE 7

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHARTER SCHOOLS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

INCLUSION IN
FINANCIAL
STATEMENTS

Center for Advanced Research and Technology

CHARTER SCHOOL

Not Included

See accompanying Notes to Supplementary Information.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2008

I. PURPOSE OF SCHEDULES

A. Average Daily Attendance

Average daily attendance is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to school entities. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

B. Schedule of Instructional Time

Districts, including basic aid districts, must maintain their instructional minutes at either the 1982-83 actual minutes or the 1986-87 requirements, whichever is greater, as required by Education Code Section 46201. This schedule is required for all districts, including basic aid districts.

The District has received incentive funding for increasing instructional time as provided by the incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46206.

C. Schedule of Financial Trends and Analysis

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

CLOVIS UNIFIED SCHOOL DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2008

D. Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Clovis Unified School District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, audit of States, Local governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the combined and combining financial statements.

OMB Circular A-133 requires a disclosure of the financial activities of all Federally funded programs. This schedule was prepared to comply with OMB Circular A-133.

E. Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances of all funds and the total liabilities balance of the general long-term debt account group as reported on the SACS Form to the audited financial statements.

F. Schedule of Charter Schools

This schedule provides a list of Charter Schools sponsored by the District and specifies whether the Charter Schools are included in these financial statements.

2. EXCESS SICK LEAVE

Clovis Unified School District does not provide more than 12 sick leave days in a school year to any CalSTRS member.

**AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Governing Board
Clovis Unified School District
Clovis, California

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Clovis Unified School District (the District) as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 2, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Clovis Unified School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

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Accountants

California
Society of
Certified Public
Accountants

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clovis Unified School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of Clovis Unified School District in a separate letter dated December 2, 2008. *included*

This report is intended solely for the information and use of the management, Governing Board, others within the District, the California Department of Education, the State Controller's Office, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Jeanette L Garcia & Associates". The signature is fluid and cursive, with "Jeanette L" on the top line and "Garcia & Associates" on the bottom line.

December 2, 2008

**AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Governing Board
Clovis Unified School District
Clovis, California

Compliance

We have audited the compliance of Clovis Unified School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of audit findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on Clovis Unified School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide legal determination on the District's compliance with those requirements.

In our opinion, Clovis Unified School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Member:

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Certified Public
Accountants

Internal Control Over Compliance

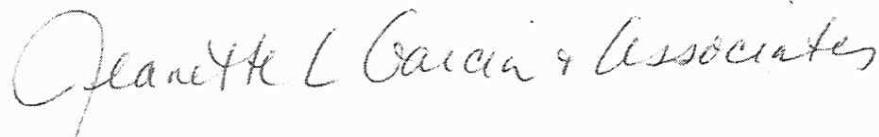
The management of Clovis Unified School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in a District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management, Governing Board, others within the District, the California Department of Education, the State Controller's Office, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



December 2, 2008

Jeanette L. Garcia,
CPA

Governing Board
Clovis Unified School District
Clovis, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Clovis Unified School District (the District) as of and for the year ended June 30, 2008 which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 2, 2008. Our audit was made in accordance with auditing standards generally accepted in the United States of America; the standards for financial and compliance audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the Standards and Procedures for Audits of California K-12 Local Educational Agencies issued by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The District's management is responsible for the District's compliance with laws and regulations. In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with the State laws and regulations applicable to the following:

	Procedures in Controller's Audit Guide	Procedures Performed
Attendance Accounting:		
Attendance Reporting	8	Yes
Kindergarten Continuance	3	Yes
Independent Study	23	Yes
Continuation Education	10	Yes
Adult Education	9	Yes
Regional Occupational Center/Program	6	Not Applicable
Incentives for Longer Instructional Day:		
School Districts	6	Yes
County Offices of Education	3	Not Applicable
Community Day School	9	No (see below)
Morgan Hart Class Size Reduction Program	7	Yes
Instructional Materials Funding Realignment Program		
General	12	Yes
K-8 Only	1	Yes
9-12 Only	1	Yes

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	Procedures in Controller's Audit Guide	Procedures Performed
Ratios of Administrative Employees to Teachers	1	Yes
Classroom Teacher Salaries	1	Yes
Early Retirement Incentive Program	4	No (see below)
Gann Limit Calculation	1	Yes
School Construction Funds		
School District Bonds	3	Yes
State School Facilities Funds	1	Yes
Alternative Pension Plans	2	Yes
Excess Sick Leave	2	Yes
Notice of Right to Elect California State Teachers Retirement System (CalSTRS) Membership	1	Yes
Proposition 20 Lottery Funds	2	Yes
State Lottery Funds	2	Yes
California School Age Families Act (Cal-SAFE) Program	3	Yes
School Accountability Report Card	3	Yes
Math and Reading Professional Development Program	4	Not Applicable
Class Size Reduction (including Charter Schools):		
General	7	Yes
Option One Classes	3	Yes
Option Two Classes	4	Yes
Districts and Charter Schools with Only One School Serving K-3	4	Not Applicable
After School Education and Safety Program		
General Requirements	4	Yes
After School	4	Yes
Before School	5	Not Applicable
Charter Schools:		
Contemporaneous Records of Attendance	1	No (see below)
Mode of Instruction	1	No (see below)
Nonclassroom-Based Instruction/Independent Study	15	No (see below)
Determination of Funding for Nonclassroom-Based Instruction	3	No (see below)
Annual Instructional Minutes – Classroom-Based	3	No (see below)

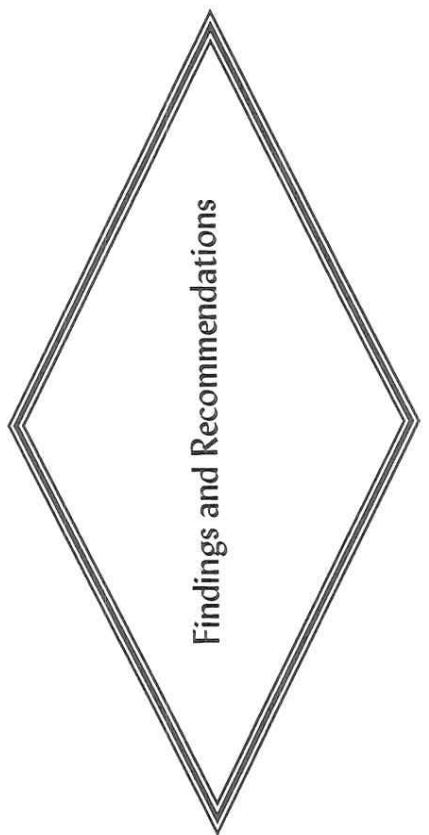
We did not test compliance for Community Day Schools because it is below the level required for testing. We did not test compliance for Early Retirement Incentive Program because the District did not participate in the State program. We did not test compliance for Charter Schools because these procedures are best performed by the auditors of the Charter School.

Based on our audit, we found that, for the items tested, the Clovis Unified School District complied with the State laws and regulations referred to above, except as described in the Schedule of Audit Findings and Questioned Costs. Further, based on our examination, for items not tested, nothing came to our attention to indicate that the Clovis Unified School District had not complied with the State laws and regulations.

This report is intended solely for the information and use of the management, Governing Board, others within the District, State Controller's Office, Department of Finance, Department of Education, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Jeanne L Garcia & Associates". The signature is fluid and cursive, with "Jeanne L" on the first line and "Garcia & Associates" on the second line.

December 2, 2008



CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Internal control over financial reporting:

Material weakness(es) identified?

Significant deficiencies identified not considered to be material weaknesses?

Control deficiencies identified?

Noncompliance material to financial statements noted?

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

Significant deficiencies identified not considered to be material weaknesses?

Control deficiencies identified?

Type of auditor's report issued on compliance for major programs:

Any audit findings disclosed that are required to be reported in accordance with
Circular A-133, Section .10(a)?

Identification of major programs:

CFDA Number(s)

84.027

Name of Federal Program or Cluster

Education for the Handicapped

	Yes	X	No
Unqualified			
Material weakness(es) identified?			
Significant deficiencies identified not considered to be material weaknesses?			
Control deficiencies identified?			
Noncompliance material to financial statements noted?			

Unqualified

	Yes	X	No
Material weakness(es) identified?			
Significant deficiencies identified not considered to be material weaknesses?			
Control deficiencies identified?			

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Federal Awards (cont.)

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 559,932

Auditee qualified as low-risk auditee?

X Yes No

State Awards

Internal control over state programs:

Material weakness(es) identified?

Significant deficiencies identified not considered to be material weaknesses?

Control deficiencies identified?

 Yes X No
 X Yes None reported
 Yes X None reported

Type of auditor's report issued on compliance for
state programs:

Qualified

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Section II – Financial Statement Findings

FINDING 2008-01
AB3627 Code 30000
Associated Student Body
Buchanan High School

It was noted that money does not appear to be turned in to the bookkeeper in a timely manner. A coach collected \$1,293 in cash and checks in November and December 2007 and held on to it until February 8, 2008 before turning it in to the bookkeeper. However, once received by the bookkeeper, the funds were deposited timely.

RECOMMENDATION

Money should be turned in to the bookkeeper in a timely manner, at least weekly so that cash collections do not remain on campus over weekends or holidays or in an individual's possession.

DISTRICT RESPONSE

The District continues to provide training and support to staff regarding the handling of ASB funds to enforce procedures that must be adhered to.

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FINDING 2008-02
AB3627 Code 30000
Associated Student Body
Clovis West High School

- A. Prenumbered receipts do not appear to be written for all monies received. We noted deposits in our test month for which no receipts had been issued.
- B. Deposits during our test month of February could have been made in a more timely manner. We noted collections that missed at least two armored car pickups before being deposited into the bank.
- C. Of twenty-two expenditures tested, the bookkeeper was unable to locate any support for five checks issued, two were supported by a purchase order only, three were missing invoices, and one was not approved prior the purchase being made.
- D. We noted several purchase orders that were made to "Various Vendors."
- E. We were unable to locate any revenue potentials for the fundraisers that had been completed prior to the audit date.
- F. We were unable to locate the ticket inventory logs. The logs may have been placed in storage in error.
- G. At June 30, 2008, the ASB ended the year with relatively low ending balance in the general ASB account and a negative ending balance in the total trust accounts (due to student groups).

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

RECOMMENDATION

- A. Prenumbered receipts should be issued for all collections. Receipts should be reconciled to the bank deposits to ensure that deposits are complete.
- B. Monies collected by the ASB should be deposited timely. All monies collected should be recorded and prepared for deposit in time for the twice weekly armored car pickup.
- C. Expenditures should not be made without adequate support. All expenditures must be supported by purchase orders dated prior to the purchase, adequate invoice documentation explaining the amount of the check, and receiving documentation to ensure that payment is being made only for goods and services that were actually received.
- D. Purchase orders should be vendor specific. All purchase orders should be issued to a single person or a specific vendor.
- E. Revenue potentials (sales analysis) should be prepared after every sales activity. Potential revenues must be compared to actual deposits to verify that all monies have been collected and deposited.
- F. Ticket inventory logs must be maintained for each roll of tickets.
- G. The advisors should take immediate steps to reverse the current trend of overspending. Clubs should not be allowed to spend more than the available balance in the accounting records.

DISTRICT RESPONSE

The District continues to provide training and support to staff regarding the handling of ASB funds to enforce procedures that must be adhered to.

Section III – Federal Award Findings and Questioned Costs

None reported.

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Section IV - State Award Findings and Questioned Costs

FINDING 2008-03
AB3627 Code 10000
Attendance Reporting

Specific Requirements: LEAs are responsible for maintaining accurate and adequate attendance records to support the attendance reported to the State as per Education Code Section 44809 and Title 5, CCR, Sections 401 and 421.

Condition: We reviewed the District's Second Period Report of Attendance (P-2) and supporting documentation for each report and discovered a transposition error in the District's spreadsheet used to accumulate attendance data at P-2. As a result of the error, ADA was overstated at P-2 by 1.33.

Questioned Costs: Not Applicable

Context: We reviewed the supporting documentation used to complete the Second Period Report of Attendance and discovered the error.

Effect: The District will need to revise its Second Period Report of Attendance to reflect the corrected ADA amounts. This results in a loss of 1.33 ADA, or approximately \$7,700 in revenue limit funding at Second Period.

Cause: Unknown

Recommendation: The District should, and has, revised its Second Period Report of Attendance to reflect the correction noted. Further, the District should use greater care when preparing the supporting documents to ensure that data is accurate and formulas properly entered in spreadsheets.

District Response: The District has reflected the reduced ADA on the Second Period Report of Attendance. We will continue to review reports so that we can avoid this issue in future audits.

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FINDING 2008-04
AB3627 Code 10000
Gateway Continuation

Specific Requirements: Continuation attendance is based on hourly attendance accounting. Attendance should be recorded and claimed for the scheduled minutes. Attendance credit should be aggregated into whole hours for claiming purposes.

Condition: The school modified its bell schedule on October 29, 2007, increasing the overall instructional minutes by one minute per day. However, the revision was not provided to the Information Technology Department, resulting in a possible misstatement of apportionment attendance.

Questioned Costs: Not Applicable

Context: Not Applicable

Effect: It was determined that due to the effect of the carryback provision, there is no effect on apportionment attendance.

Cause: Unknown

Recommendation: Any changes to the bell schedules must be coordinated with the District's IT Department to ensure that apportionment attendance is captured correctly. It is our opinion that the effect on apportionment attendance is negligible and no revision is required.

District Response: The District policy for bell schedules is clear and should be adhered to by all sites. District Administration will notify and review the Site Administration the process and time line for changes to the bell schedules to avoid this as an issue in the future.

CLOVIS UNIFIED SCHOOL DISTRICT
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FINDING 2008-05
AB3627 Code 10000
Kindergarten Retention

Specific Requirements: Education Code Section 46300(g) allows a school district to include in its average daily attendance kindergarten pupils who have already completed one school year in kindergarten only if the school has on file for each of those pupils an agreement made pursuant to Section 48011, approved in form and content by the CDE and signed by the pupil's parent or guardian near the anniversary date of the pupil's kindergarten attendance.

Condition: It was noted that one student who was retained did not have a proper Agreement to Retain Form.

Questioned Costs: Not Applicable

Context: We tested the kindergarten retention forms at Weldon Elementary School and one student did not have a proper Agreement to Retain Form.

Effect: For the student retained, we estimate that P2 ADA is overstated by .7 ADA. This results in a loss of \$4,000 in revenue limit funding.

Cause: Unknown

Recommendation: An Agreement to Retain Form, approved by CDE, must be on file. The District should revise the Second Period Report of Attendance to disallow the attendance earned by the pupil in excess of one year of kindergarten attendance.

District Response: The District continues to monitor closely the Kindergarten retention forms and we have included the loss of ADA in the submission of the Second Period of Attendance Report. In order to enforce the importance to sites regarding the retention process, site budgets are being charged back for any loss of ADA revenues due to the lack of properly handling the Kindergarten retention program.

CLOVIS UNIFIED SCHOOL DISTRICT
 STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2008

FINDING	RECOMMENDATION	STATUS	EXPLANATION IF NOT FULLY IMPLEMENTED
<u>Continuation Attendance - 10000</u> It was noted during the audit that the attendance system is not including one passing period for the morning program and none of the passing periods for the evening programs. We compared the bell schedules for both programs to the attendance system. ADA at Second Period was understated by 1.1 ADA.	The District should and has modified the attendance system to include the passing time in the calculation of attendance. The Second Period Report of Attendance has been revised to include the additional 1.1 ADA.	Not Implemented	See current year Findings and Recommendations
<u>Kindergarten Continuation - 10000</u> It was noted that one student who was retained did not have a proper Agreement to Retain Form. The Agreement to Retain Form was not signed by the parent on or near the pupil's kindergarten anniversary date. The form was signed two months prior to the pupil's anniversary date. We tested the kindergarten enrollment at four schools and noted that one student at Fugman Elementary did not have a properly completed Agreement to Retain Form. For the student retained, we estimate that P2 ADA is overstated by .99 ADA, resulting in a loss of apportionment of approximately \$5,500.	An Agreement to Retain Form, approved by the CDE, must be filled out completely, including the student's anniversary date and the date of signature for the District to claim apportionment attendance for the retained student. The District should and has revised the second period report of attendance to disallow the attendance earned by the pupil in excess of one year of kindergarten attendance.	Not Implemented	See current year Findings and Recommendations

December 2, 2008

Governing Board
Clovis Unified School District
Clovis, California

In planning and performing our audit of the financial statements of Clovis Unified School District, for the year ended June 30, 2008, we considered its internal control structure as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we noted several matters that are opportunities for strengthening internal controls and operating efficiency. The following items represent non-material conditions noted by the audit that we consider important enough to bring to your attention. We previously reported on the District's internal control structure in our report dated December 2, 2008. The Findings and Recommendations Section of the audit report dated December 2, 2008, contains certain reportable conditions in the District's internal control structure. This letter does not affect our report dated December 2, 2008, on the financial statements of Clovis Unified School District.

Associated Student Body - Pinedale Elementary School - 30000

- A. The form utilized by the ASB does not present a comparison of expected revenue to actual revenue based on actual sales and actual cash deposits. It is not possible to conclude that all revenues have been received and recorded when revenue potentials/sales analysis are not prepared. To strengthen internal controls over cash receipts and ensure that all monies received for the fundraiser are deposited intact, the revenue potential/sales analysis form used by the ASB should present the comparison of expected revenue to actual revenue.
- B. We noted four cash receipts that were not written in sequential order. Writing receipts out of sequence negates the internal control provided of prenumbered receipts. Receipts should be issued in sequential order to verify that all collections were recorded and deposited intact and timely.

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Associated Student Body - Alta Sierra Intermediate School - 30000

- A. It was noted that one out of fifteen disbursements tested was not approved prior to the purchase. Also, one out of fifteen disbursements tested was paid based on an estimate instead of an invoice. To strengthen internal controls over cash, all disbursements should be approved prior to the purchase to prevent unauthorized purchases. Also, all disbursements should have adequate supporting documentation, such as an invoice, receiving documentation and proper approval.
- B. A ticket inventory control sheet could not be located for a certain roll of tickets. Also, the beginning number on an event sales summary sheet does not match the ticket inventory control sheet. To strengthen internal controls over tickets, ticket inventory logs should be used to account for each roll of tickets used. The ticket inventory logs should be compared to the event summaries.
- C. Revenue potentials are not complete. There is no record as to how many items were received, the number of units sold, or the selling price per unit. Revenue potentials should be prepared for all fundraisers and sales. They should be completely filled out with the number of items available for sale, the selling price and the quantity sold. Potential revenue should be compared to actual receipts and any differences should be explained. Proper documentation of the money being deposited should also exist.

Associated Student Body - Granite Ridge Intermediate School/Clovis North High School - 30000

- A. Receipts did not agree to the bank deposits. Money is turned in to the ASB clerk and a receipt is written based on the amount of money noted on the student body deposit slip. The money is counted at a later time and posted to the receipts journal with any corrections. Money should be counted at the time it exchanges hands and before issuing the receipt. The correct amount should always be written on the prenumbered receipt. The ASB clerk should compare the prenumbered receipts to the bank deposits to ensure that all cash collections are deposited intact.
- B. We noted two discrepancies between the report on event sales and the ticket inventory log. In one instance the ticket number was off by one ticket; however, the second instance noted a difference of 44 tickets. We are unable to determine if the error indicates a loss of cash since tickets are a cash equivalent. Due care should be taken when entering the information on the ticket inventory. Event summaries should be compared to the ticked log to ensure that all tickets are accounted for. Any differences should be investigated.

Associated Student Body - Kastner Intermediate School - 30000

Revenue potentials are not complete. We were unable to verify the total amount collected in the fundraiser to the total amount deposited. Revenue potentials should be prepared by comparing actual income collected to expected income based on actual sales. Without comparing expected income to actual income, there is no assurance that all cash collections are deposited intact.

Associated Student Body - Buchanan High School - 30000

- A. Student council minutes are weak. Minutes do not include adequate discussion of new business and other ASB activities. Student council minutes should include more detail regarding discussions of campus activities.
- B. We noted that multiple rolls of tickets are listed on one inventory control sheet. This practice makes it more difficult to track the beginning and ending numbers for each roll of tickets. Additionally, we noted that one basketball event was not recorded on the ticket log. The current system of maintaining ticket inventory caused the missing basketball game to go unnoticed. More care should be taken when tracking ticket rolls. A method should be developed to maintain an individual inventory of each ticket roll.

Associated Student Body - Clovis East High School - 30000

Two of the three revenue potentials tested did not have backup to support the total deposits. Therefore, we were unable to verify if all revenues are posted to the accounting records. Revenue potentials should be prepared for all fundraisers and sales, and they should be completely filled out with the number of items available for sale, the selling price and the quantity sold. Mathematical accuracy should be checked to verify that all cash has been collected and accurately accounted for.

We will review the status of these comments during our next audit engagement. We have discussed these comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Yours very truly,



Jeanette L. Garcia, CPA

